

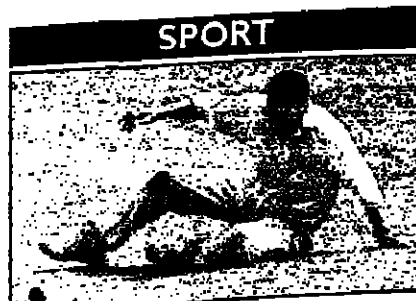
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MARRIAGE FOR THE MILLENNIUM
What we want from our relationships now. Page 15



LIKE FATHER, LIKE SON?
Mystery of Dodi Fayed's 'secret baby'. Page 3



TEST FLOP AT TRINIDAD
How England threw the game away.

THE INDEPENDENT

Tuesday 10 February 1998 45p No 3,530

Opposition grows to raid on Iraq

By Mary Dejevsky
Colin Brown
and Kim Sengupta

Opposition is growing on both sides of the Atlantic against an attack on Iraq, with sections of both the Labour Party and the United States Republican Party rejecting air strikes.

Left-wing Labour MPs will attempt to rally opposition on Labour's backbenches to a military attack on Iraq in a meeting at the House of Commons tomorrow after failing to secure assurances from George Robertson, the Secretary of State for Defence, against the use of force.

At the other end of the political spectrum, Trent Lott, Republican majority leader in the US Senate, said last night that America should consider alternatives to military force in Iraq. He appeared to signal a shift in thinking among senior Republicans, and reflected growing doubt that air strikes would sufficiently weaken the Iraqi regime. "I do think that there are a number of things that can be done between just pure diplomacy and a military action," he said.

A newly mobilised Emergency Committee on Iraq will hold the first major rally against war in the Gulf at the House of Commons on Thursday night with MPs, churchmen and former servicemen due to speak. The event has been organised by Labour MPs Tam Dalyell and George Galloway, who claim to have hundreds of letters of support.

Among those due to speak are playwright Harold Pinter, historian Antonia Fraser and theatrical producer Thelma Holt. There have also been messages of support from actors Alan Rickman and Vanessa Redgrave.

British ministers last night dismissed the Westminster rebellion as a handful of MPs. Cabinet sources said they believed they had the vast majority of the party behind them.

"It is the only way of getting him [Saddam] to move. He has made more offers today. We want to avoid the need for action, but we will take it if necessary," said a senior Cabinet source.

Mr Robertson faced opposition from some left-wing MPs in the Commons. Diane Abbott (Hackney N and Stoke Newington) claimed there was no unanimity in the UN for a military strike and still less support in the Arab world.

So far, the tally in favour of eventual military action reads: the United States, Britain, Germany (maybe), Kuwait and Bahrain, *in extremis*. Saudi Arabia has already indicated its unhappiness over British and American plans, and its bases will not be used for air strikes on Iraq.

Middle East anxiety was underlined by King Hussein of Jordan at a meeting in Downing Street with Tony Blair yesterday. King Hussein later told journalists: "I don't think I would support action that would affect the people of Iraq... The people have suffered enough."

The US Defense Secretary, William Cohen, reinforced Washington's belligerent stance against Iraq yesterday, warning that time was running out for a diplomatic solution. Speaking from Kuwait, he told reporters: "The window of opportunity is not getting wider, it is getting narrower."

It was also announced that the US is sending up to 3,000 extra ground troops to Kuwait to bolster its defences. They will join 1,500 army troops. Eight RAF Tornado bombers also arrived in Kuwait yesterday.

The US Secretary of State, Madeleine Albright, told a conference in Washington that the United States had the authority, responsibility, means and will to launch "substantial military action" against Iraq, should diplomacy fail. The new volley of threats, however, could not disguise that the US administration has not managed to recruit significant support for military action against Iraq.

There is clear reluctance on the part of President Clinton, if not of some of his advisers, to take the United States into a war for which the American public has little appetite and which could prove a diplomatic liability.

Last week, a group of Republicans in Congress argued that any military operation should include the removal of the Iraqi leader, Saddam Hussein; otherwise, they said, it would be ineffectual. Within hours, however, Mr Clinton had quoted chapter and verse on why US policy did not, and would not, include that option. Politics, page 8 Iraq, page 10

Verve swap glitz for charity show



As expected, The Verve swept up three Brit Awards last night to cap what has been a staggering year for the Wigan rockers. Also as expected, the band were not at the ceremony but were playing a charity concert in south London. They were voted best British group while their "Urban

Hymns" won best album. The band, currently on a national tour, were also nominated for best single for "Bitter Sweet Symphony". But that went to the all-female group All Saints for their song "Never Ever", which also won best video. Bitter-sweet victory, page 3 Photograph: Roger Sargent/Reax

Cut-price rescue for Chunnel link

By Randeep Ramesh
Transport Correspondent

THE HIGH-SPEED Channel tunnel rail link could be rescued and built for under £1.5bn - less than one-third of the current projected cost - under plans put to the Government by Railtrack, the owner of the nation's track, signalling and stations.

The new scheme, which could see the line opened only months after the original start date in 2003, would scrap an expensive 12-mile tunnel and station at Stratford, east London, built for Eurostar services to the North. The new Railtrack route would also not need a new international London terminus, planned for St Pancras.

The proposed £5.4bn rail link fell into disarray last month after London & Continental Railways (LCR), the company responsible for building the link and running the Eurostar service, admitted that it could not meet its passenger forecasts and needed another £1.2bn of taxpayers' money.

The Government declined to bail out LCR which had already been promised £1.8bn of public subsidy by ministers.

Railtrack's "Southfleet option" would see passengers follow a route through Kent and up through south London into the existing international terminal at Waterloo station. The total cost, said Railtrack, would not be more than £1.4bn.

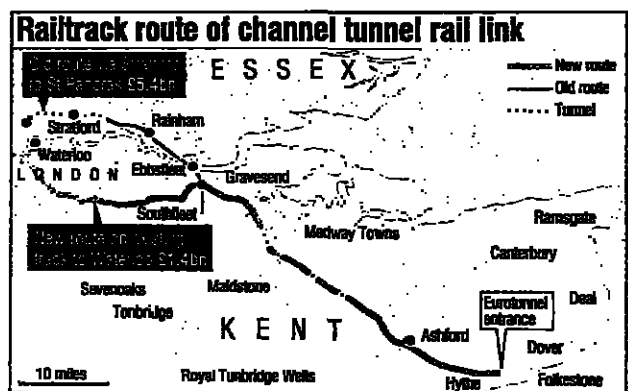
"You get half the benefits for a third of the cost," said Ger-

ald Corbett, its chief executive. "You would obviously need considerably less subsidy."

Britain has had to watch, enviously as its Eurostar partners, France and Belgium, have trains running at 186mph following the completion of their high-speed links. Railtrack's "Southfleet" option would reduce journey times from London to both Paris and Brussels by about 15 minutes - only half the time saving proposed by LCR. Eurostar trains currently reach Paris in three hours.

As Railtrack does not wish to run the Eurostar service, which last year lost £180m and will not break even until 2001, the Government could keep the trains in public hands. Another possibility would see Richard Branson's Virgin Group run the service with Railtrack owning the rail link. However, the proposal is not without difficulties. It needs to conform to the current "development agreement" which sets out the business case. If it does not, the Government may face legal action from the European Commission.

A spokeswoman for the Department of Environment, Transport and the Regions said no decision could be made until the end of the month - the deadline for LCR to return with another business plan.



Minister backs campaign for tax relief

By David Lister
Arts News Editor

The Independent and Independent on Sunday campaign to stop the crisis in the arts by giving tax relief to people donating money to theatres, galleries, museums and orchestras, has won the significant backing of Chris Smith, Secretary of State for Culture, Media and Sport.

Mr Smith is said to be fully supportive of the campaign, and is talking to the Chancellor Gordon Brown about

THE INDEPENDENT Save the Arts

changing the tax regulations which deter individuals from giving money to their favourite arts organisations.

Like all Cabinet ministers, Mr Smith is forbidden to make any public statements in the period leading up to the Bud-

get on 17 March. Yesterday he would only say: "Any decisions on changes for tax are obviously a matter for the Chancellor of the Exchequer."

But behind the bland statement, action is taking place to try to convince the Chancellor

to make the simple tax changes urged by our campaign, which would transform the prospects for the country's beleaguered arts companies.

A senior source at the Department of Culture said that Mr Smith was seized by the idea of increasing arts funding through an US-style system of tax breaks for donors. And he was having talks with the Chancellor to try to convince the Treasury to reform the convoluted and contradictory system that prevails in Britain.

Mr Smith seems to be of the same view. He has told col-

leagues he agrees that existing arrangements provide little incentive for donors, who should, as we have argued, be able to offset donations against their own tax bills, as in the US.

Major figures in cultural life including the director Sir Peter Hall, the playwright Alan Ayckbourn and the actresses Fiona Shaw and Harriet Walter, have already expressed support for our campaign.

We are urging Mr Brown to introduce a change in taxation law to enable people to make tax-free donations to arts companies and venues.

Wrong type of snow hits Games

From Mike Rowbottom
in Nagano

OPINIONS differ over who has the worst job at the Nagano Winter Olympics. Last week, that distinction appeared to belong to Shogo Hashimoto, a high school student who stands for eight hours a day with a sandwich board directing passengers from the Bullet Train. Shogo cannot move, or his arrows point the wrong way.

But 600 new contenders have emerged in the last couple of days - the Japanese Army recruits charged with the fruitless task of clearing the slopes of excess snow which has already forced the postponement of the men's downhill,

combined slalom and women's snowboarding giant slalom.

These are threatening to become the Winter Olympics which were snowed off.

On the eve of the Games, the executive director of the organising committee said that if he could have one wish, it would be for another good fall of snow. On Sunday, he got that wish. The clouds rolled in over the Happo-one course in the outlying resort of Hakuba - and dumped far more snow than the organisers could handle.

The forecast is for at least two more days of dense snowfall - caused, apparently by winter storms off the Sea of Japan. The rate of fall at the Hakuba slope yesterday was re-

ported to be an inch per hour.

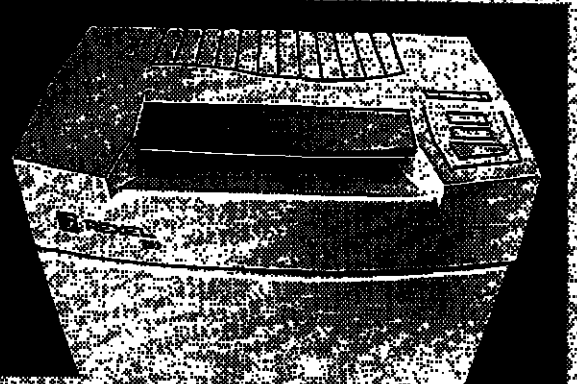
Nagano's unusual geographical circumstances mean that its snow is wetter than that which falls in Europe - and less suitable for machine clearance.

To add to the woes of the labouring servicemen, charged with keeping the Games on course, a partial thaw quickly refroze, turning the slopes into a giant slide. And just to keep them on their toes, matters were then complicated further by an avalanche warning.

● The skier pictured on the front page of yesterday's Independent was Takahiro Sakamoto, of Japan, not Britain's Sam Temple. The error arose because of incorrect information supplied by Reuters news agency.

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IT CAN EAT A WHOLE CAN OF WORMS.



PEXEL

Teachers take issue with need for more tests

Nearly all primary school pupils will take national tests in every year except one, Government advisers said yesterday. But teachers challenged the claim that schools' enthusiasm for testing is growing, says Judith Judd, Education Editor.

Schools are clamouring for more tests, government advisers on exams and the curriculum said yesterday.

At present, national tests in English, maths and science are compulsory at the ages of seven, 11, and 14 and from this September all five-year-olds will be assessed.

There are no plans for more compulsory testing but this year nine out of ten schools are using optional national tests for nine-year-olds.

Advisers from the Qualifications and Curriculum Authority are also piloting English and maths tests for eight and ten-year-olds. Nick Tate, the authority's chief executive, said there had been a "cultural shift" in teachers' attitude to the tests. Whereas they had originally been greeted with widespread hostility by the profession, 90 per cent of teachers of 11-year-olds now believed that they were valid and 88 per cent thought that the results were reliable.

Dr Tate said: "There is clear evidence that teachers find the tests useful and that is a big turn-round from only a few years ago. That indicates a big cultural shift. We are piloting tests at ages eight and ten this year as a result of demands from teachers who want to be able to measure their progress towards the Government's targets."

But Doug McAvoy, general secretary of the National Union of Teachers,

said: "There should be no assumption that because schools seek to be part of a pilot, that the concept of national tests every year is supported by teachers. I invite Dr Tate to test his conclusion by conducting a survey questioning teachers on their support for the current national tests, additional tests and their desire to have the increased workload more tests would generate."

Ministers have set tough targets in maths and English for the year 2002.

Pilot tests for nine-year-olds last year showed that half of children did not make the expected progress.

In maths, only 59 per cent reached the level expected compared with more than 80 per cent at seven. In reading, 67 per cent reached the standard ex-

COMMON ERRORS

Examples of the most frequent incorrect spellings for some words in the spelling test for 11-year-olds:

hopeful breeze beginning opposite grabbed gradually believe

pected compared with 78 per cent at seven. In writing the comparable figures were 58 per cent and 80 per cent and in spelling 55 per cent and 60 per cent.

Reports from the authority on last year's tests for seven-, 11- and 14-year-olds highlight the areas which children need to improve. At both nine and 11, pupils' performance in mental arithmetic tended to be worse than their performance on the written papers. At 14, Shakespeare is a success story: 62 per cent of 14-year-olds studied *Romeo and Juliet* and often produced sophisticated responses.



Reform the tax system, say stars

Two knights of the British theatre yesterday gave their support to the *Independent* and *Independent On Sunday* campaign to persuade the Chancellor to give tax incentives for individuals to contribute to the arts.

Musicals impresario Sir Cameron Mackintosh and award-winning actor Sir Ian Holm (pictured above) gave their backing to our campaign, which could end the financial crisis afflicting arts companies and venues across the country.

Both men want to see reforms to the tax system which will encourage individuals to support the arts. In America donations to the arts are tax deductible and there is a climate of giv-

THE INDEPENDENT

Save the Arts

ing not replicated in this country.

We are urging Mr Brown to use his budget to introduce a change in taxation law to enable people to make tax-free donations to arts companies and

venues. The system is riddled with anomalies. Some arts organisations are charities, others are not. Tax relief can only be claimed where the organisation is a charity. In addition tax relief can only be claimed on donations above £250.

The absurdity of the present system is further illustrated by the fact that if you benefit from your donation by, for example, getting reduced admission prices or even just being put on a priority mailing list, you may lose tax relief. There is also an anomaly for people who want to give paintings to galleries. Tax relief is only applicable after death.

— David Lister, Arts News Editor

Join our campaign

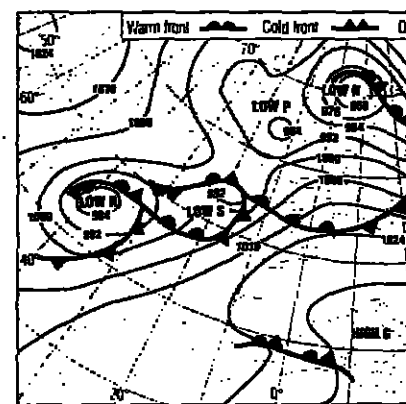
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We the undersigned support The Independent campaign to pressure Gordon Brown to make all donations to the Arts straightforwardly tax deductible.

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WEATHER

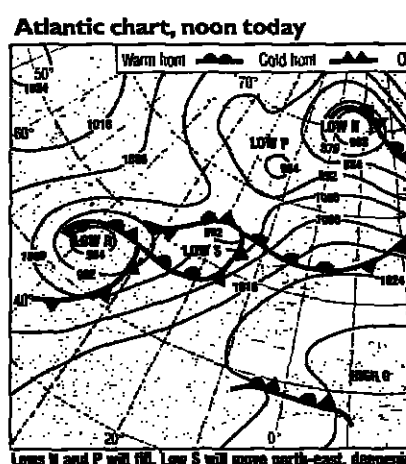


Noon today

It will be mild again everywhere. Scotland will be windy with showers, mainly in the west. Between these there will be sunny spells, with the best of the sunshine in the east. Northern Ireland and northern England will also see a few showers, again mainly in the west, but also some bright or sunny spells. Wales and central parts of England will be mostly dull with light rain and drizzle. There may also be some drizzle in south-west England but the south-east will be dry, bright and warm.

Outlook for the next few days

Wednesday will be wet and windy in Scotland, Northern Ireland and northern England. The rain heavy in many parts with winds rising to gale force at times. Wales and central England will be dull and breezy with light rain and drizzle in places, while southern England will be dry with a lot of cloud. It will however remain mild everywhere. The mild spell will continue until the weekend with further rain in the north and west but the south and east will stay dry.



British Isles weather

Most recent available figure at noon local time. Cloudy: C; Clear: F; Partly Cloudy: PC; Mist: M; Rain: R; Snow: S; Drizzle: D; Shower: Sh; Wind: W; Thunder: Th.

Aberdeen C 11.52	Bristol C 11.52	Exeter C 11.52	Glasgow C 11.52
Agincourt C 9.48	Cardiff C 9.48	Gloucester C 11.52	Leeds C 11.52
Ayr R 10.58	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52
Belfast C 11.52	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52
Birmingham C 10.50	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52
Blackpool C 9.48	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52
Bournemouth C 10.50	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52
Brighton M 7.45	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52

High tides

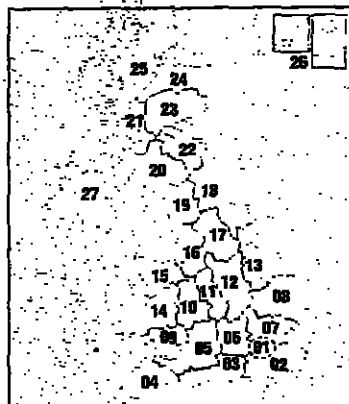
	AM	HT	PM	HT
London	01.03	6.8	13.28	6.9
Liverpool	10.42	9.0	23.03	9.0
Avonmouth	06.33	12.6	18.58	12.7
Hull (Albert Dock)	05.43	8.1	17.58	8.4
Greenock	11.54	3.3		
Dun Laoghaire	11.03	4.2	23.22	4.0

Lighting-up times

	17.00	18.00	19.00	20.00
Belfast	17.21	18.00	18.54	19.54
Birmingham	17.10	18.00	18.54	19.54
Bristol	17.16	18.00	18.54	19.54
Glasgow	17.10	18.00	18.54	19.54
London	17.06	18.00	18.54	19.54
Manchester	17.08	18.00	18.54	19.54
Newcastle	17.02	18.00	18.54	19.54

Sun & moon

Sun rises	07.24	Sun sets	17.06
Moon rises	16.23	Moon sets	06.40
Full moon	February 11		



INDEPENDENT Weatherline

For the latest forecasts dial 0891 5009 followed by the two digits for your area indicated by the above map. Source: The Met Office. Calls charged at 50p per min at all times (inc VAT).

Out and about with AA Roadwatch

Call 0330 401777 for the latest local and national traffic news. Source: The Automobile Association. Calls charged at 50p per min at all times (inc VAT).

World weather

Most recent available figure at noon local time.

Aberdeen C 11.52	Bristol C 11.52	Exeter C 11.52	Glasgow C 11.52
Agincourt C 9.48	Cardiff C 9.48	Gloucester C 11.52	Leeds C 11.52
Ayr R 10.58	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52
Belfast C 11.52	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52
Birmingham C 10.50	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52
Blackpool C 9.48	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52
Bournemouth C 10.50	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52
Brighton M 7.45	Cardiff C 9.48	Leeds C 11.52	Leeds C 11.52



WILLIAM HARTSTON WEATHER WISE

In their recent report *The Regional Impacts of Climate Change* (CUP, £24.95), the Inter-Governmental Panel on Climate Change paints a grim picture of the potential effects of global warming. While frequently stressing that all predictions depend on the accuracy of unproven computer models, the writers produce a convincing analysis of the damaging changes we may all face if the models are correct.

In one respect at least, the IPCC report is already being vindicated. "The direct and indirect impacts of climate

change on human health," they write, "do constitute a hazard to human population health, especially in the tropics and subtropics: these impacts have considerable potential to cause significant loss of life." Yesterday World Health Organisation workers in Kenya reported just such an outbreak of climate-related disease, but the overall message was far from gloomy. In north-east Kenya and southern Somalia, 400 lives have been lost this year to diseases brought on by flooding caused by El Niño. Half of these have been related to Rift Valley fever, which can cause fatal haemorrhaging. The mechanism is relatively simple: floods create the breeding grounds for mosquitoes, which transmit the disease to humans and livestock. People can also become infected from the slaughter of infected animals.

The good news, however, is that accurate weather forecasting may enable such outbreaks to be contained. "There is increasing evidence that these outbreaks can be predicted," said Mike Ryan, who heads a team of 15 WHO experts investigating the present outbreak. While experiments are

continuing in the search for a human vaccine against Rift Valley fever, a vaccine for animals is already available.

Scientists are now examining weather patterns at the time of historical outbreaks of the disease to see if correlations can be established that would enable future outbreaks to be predicted. Animals could then be rapidly immunised and the spread of the disease curbed. Last year, Dr Ryan said, satellite data was used to predict an outbreak of malaria in Colombia.

According to a report in November, doctors in Peru blamed El Niño for high temperatures that led to an outbreak of dehydration and diarrhoea among infants. In early December, malaria cases in Venezuela increased by an average of 37 per cent in the years following an El Niño event. At the end of the same month, Thailand reported a doubling on the previous year of the number of cases of dengue fever, which was also blamed on the stagnant waters left by El Niño. If improved weather forecasting can lead to better preparedness for such outbreaks, then the news from the WHO is very encouraging.

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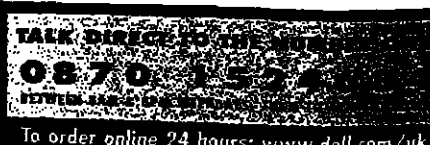
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مكتبة من الأدب

Dodi, an improbable romance, and riddle of a secret baby



Dodi Fayed: Paternity claim

It is five months since Dodi Fayed was killed, but, as one of the most eligible bachelors in the world it was only a matter of time before someone claimed to have had his baby. Kate Watson-Smyth looks at the latest round of rumour and rebuttal, allegation and accusation.

Even Diane Holliday has admitted it was an improbable romance. The dashing playboy who was at home in some of the world's most exclusive resorts would drive to her house in Bracknell to spend the evening chatting over a couple of bottles of wine. On one such night they become lovers and towards the end of their five-month

relationship, Ms Holliday became pregnant. She claims Dodi Fayed is the father and that he gave her £75,000 after she told him she was expecting his child. She also says she has DNA evidence to prove that the 15-month-old baby was his. The baby, called Marni, was adopted by a wealthy couple in the United States days after she was born in November 1996.

But Dodi's father, Mohamed Al Fayed yesterday denounced her claims and said Ms Holliday was trying to exploit the family for financial reasons. He flatly denied that DNA tests were ever carried out.

Ms Holliday, 36, told the London *Evening Standard* yesterday: "Dodi was Marni's father. I have a DNA test to prove it and Mohamed Fayed knows this full well. Mohamed organised the test. I don't want money from him or anybody else but they cannot deny he was Dodi's child." She said

the couple had become close at the end of 1995 and the relationship lasted for five months. "I am a Catholic and don't normally use contraception. Dodi was the one who said I couldn't get pregnant because he had such a low sperm count," she told the newspaper.

"I was really surprised when they discovered in July 1996 that I was 20 weeks pregnant. My immediate thought was to have an abortion. When I met Dodi in Paris, he said he wanted to keep the baby but when I decided to have an abortion he didn't disagree particularly vehemently. He gave me £50,000 and left." However, she changed her mind about the abortion and the baby was eventually adopted by a childless couple from Philadelphia.

Tabloid newspapers engaged in a bidding war for the first pictures of the baby which were sold for thousands of pounds.

Ms Holliday said that Mr Fayed rang her a few weeks before he died and was shocked to hear that she had cancelled the abortion. He gave her a further £25,000 which she used to rent a house in Suffolk.

After his death, Ms Holliday went to see his father who, she claimed, already knew of the relationship. According to Ms Holliday, Mr Fayed arranged for the DNA tests to be carried out and said he wanted the baby to be brought back to England.

But a spokesman for Mr Fayed said: "No DNA tests have been taken. We have DNA tests which were taken from Dodi's body which could be used to test parentage but our investigations have led us to conclude that this is nothing more than an extremely cruel and wicked deception."

"Mohamed would have been delighted to discover that he had a grandchild and that Dodi had a daughter, but that is not the case

and this is just heartless." He added that Mr Fayed gave Ms Holliday £5,000 for tests to be done but they were not aware that they had been carried out. "We hired an American lawyer to carry out our investigations and we are satisfied that she is lying."

He said the family had made a complaint to the police. A spokesman for Scotland Yard said: "We can confirm that police are carrying out an investigation into an alleged financial deception in London in December 1997."

Ms Holliday's sister-in-law Julie said the family did not know about her relationship with Dodi. "I saw her regularly in 1996 and she never showed any signs of being pregnant," she said.

Ms Holliday remains adamant that the results of the DNA test will prove that Dodi is the baby's father, a claim supported by her lawyer.

Police take dim view of art display going down the Tube

There are a lot of things you can do on a Tube train that will get you in trouble with the police.

Paul McCann, Media Correspondent, discovers how using one as a moving art gallery can lead to a raid and maybe even two years in prison.

A guerrilla artist who has been using London Underground trains as an art gallery has been raided by British Transport Police investigating alleged offences of "indecent display".

The 26-year-old artist, who wishes to be known just as 'N', is from Germany and now lives in London. He has been using empty advertising slots above seats on the Piccadilly and Northern lines to display his art for over a year.

Early one morning last month six officers from British Transport Police at Baker Street station raided a friend's home that 'N' uses as a studio. They had a warrant saying they were investigating allegations of indecent display and seized a computer, screen-printing equipment and searched through negatives. 'N' says they also confiscated close to 2,000 copies of prints he was planning to display on the Underground.

The offence of indecent display refers to public exhibition of images that are profane and may cause offence. A spokesman for British Transport Police refused to comment on the case but said an investigation was ongoing. A file has not been submitted to the Crown Prosecution, but if prosecuted and convicted, the artist could face a fine of up to £5,000 or a

two-year prison sentence. At the time of the raid it was a friend of 'N' who was arrested until the artist himself went to the police and admitted it was his work.

"I was very surprised by their actions," said Nyesterday. "I had put a few thousand prints on to trains over the last year and no one seemed to mind. I had been caught at least ten times, from ordinary station staff to a quite senior London Underground manager, but every time they would just let me go. Most of the time they seemed quite happy if I gave them a signed copy of a print. I would sign them: 'Caught, but forgiven.' 'N' says staff did not object to his pictures because he didn't remove real adverts to make room for them, but used empty spaces.

He had friends helping distribute his pictures and it was one of these who was caught when police stopped a train he was targeting.

The friend gave his address and it was this was raided by the officers. The artist has favourite Tube lines and tailors his work to be the right size for their advertising panels.

"I did like using the Victoria Line," he says. "But I think there must be too many art students or something living on that line, because they were always stealing my work before it could be seen by many people."

The Tube paintings take the form of stick figures taking part in activities from dancing to drinking and having sex. It is the sexual antics which the artist believes prompted police to act. 'N' has had other work in a different style displayed in legitimate galleries and sold. But his 'Tube work', he feels, is a much purer art because there is no commercialism involved.

Railtrack bid, page 6



Northern exposures: The Tube artist known as N displaying some of his work on the Northern Line, with help from members of the public.

Photograph: Andrew Burman

Bitter-sweet Brit awards as winning groups fail to appear

The Verve won three Brit Awards last night to crown a triumphant year.

The band from Wigan were voted best British group. Their album *Urban Hymns* won best album. And they also won the best producer award along with their co-producers Youth and Chris Potter.

The group, currently on a national tour, were also nominated for best single for "Bitter Sweet Symphony". But that prize went to the all-female

group All Saints for their song "Never Ever". All Saints also won the best video award for the same song.

Meanwhile, only a last-minute special award from Brit Award bosses saved the Spice Girls from playing also-rans to the new girls on the block. Triumphant with two awards and most of the headlines last year, the Spice Girls gained only one Brit nomination this year - for a video. But they performed at last night's pop showcase and

were presented with a one-off "special award" for exceptional commercial success.

One of the surprise moments at the ceremony at the London Arena in Docklands, attended by leading lights in the music industry, was a special award to Elton John for his services to charity over the past year.

This was shown on film as it was presented to the singer by the Prime Minister Tony Blair "backstage" at the White House last week after Elton John had

taken part in the special entertainment for a state banquet.

While the Verve have become widely known over the past year, not least for their single "The Drugs Don't Work", a number of awards went to artists who are far from household names, to show the amount of burgeoning talent in the British music industry.

Best newcomers were Stereophonics; best British male solo artist Finley Quaye; best British female solo artist

Shola Ama; and best international newcomer, Eels.

Among the rather better known names, the best British dance act was Prodigy; best international male solo artist Jon Bon Jovi; best international female artist Bjork; best international group U2; and best soundtrack *The Full Monty*.

And to show the industry really does span the years the award for Outstanding Contribution to the British Music Industry went to veterans of 30

years in the business Fleetwood Mac.

The awards sparked off one moment of controversy, from one of the organisers, who highlighted the "hypocrisy" of bands too trendy to perform or in some cases even to pick up awards. Four out of the five best-group nominees the Verve, Oasis, Radiohead and the Prodigy were not at the awards ceremony, but most pleaded prior engagements.

— David Lister, Arts News Editor

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Robert (left) and Rafi Manoukian leaving court yesterday. They are suing, and being sued by, Prince Jefri of Brunei (top), who recently bought Asprey jewellers Photographs: Piers Macdonald, Andrew Buurman

Richest man's brother branded a liar in case that could expose secrets of Brunei royalty

The brother of the Sultan of Brunei, the world's richest man, crossed swords with two former business associates yesterday at the High Court in London. Kathy Marks says that the case, which revolves around disputed property deals, will lift the veil that shrouds the activities of this obsessively secret royal family.

For nearly two decades, Robert and Rafi Manoukian were trusted friends and emissaries of the Brunei royal family, including the Sultan himself and his brother, Prince Jefri of Brunei. So close were they that they looked after the prince's son,

Prince Hakim, during holidays from his school, Emmanuel College in London.

Yesterday the brothers, wealthy Armenian-born businessmen whose interests include a Jermyn Street boutique, went to the High Court to sue Prince Jefri, 44, for £80m for allegedly failing to honour two London property deals. Prince Jefri, for his part, is counter-suing the Manoukians for more than £100m, claiming that they systematically exploited their friendship with his family and made "unreasonable and concealed" profits out of him.

In a rare move, instead of seeking an out-of-court settlement away from the glare of publicity, the prince - who recently bought Asprey, the Queen's jewellers, for £244m - has decided to submit himself to cross-examination.

The brothers, who once arranged the

purchase of everything from golf balls to aircraft for the royal family, claim that he reneged on multi-million-pound deals involving the purchase of an office block near the Savoy Hotel and the former Playboy Club in Park Lane, London.

Yesterday their counsel, Christopher Carr QC, made a robust attack on the credibility of the prince, who plays polo with Prince Charles and once flew the Chelsea football team to Brunei to play the national team over there. Mr Carr said that his version of events in the case, which is expected to last for up to six months, was "an utter deception and falsehood."

The court was told that when the Park Lane property came up for sale in 1988, Prince Jefri was interested in buying the upper four floors and "insisted" that the Manoukians should purchase the lower five

storeys. The brothers agreed, as they did not wish to jeopardise other deals. In the early 1990s, when the market collapsed, Mr Carr claimed, the prince reneged on a £25m verbal deal to renovate the lower floors of the building, which is now the prince's London home.

Mr Carr said the prince was claiming that he had bought his four storeys on the suggestion of the brothers, and had relied totally on Rafi Manoukian for financial information and guidance. This, he said, was "a complete invention". The prince's assertion that he was not even aware that the brothers were buying the lower floors was "a complete piece of fiction".

He said there was evidence that the Brunei Investment Agency, of which Prince Jefri was chairman, had obtained independent valuations of the property through

other surveyors and his claim that he was relying solely on the Manoukians to represent his interests was "a plain attempt to mislead the court".

The investment agency owns hotels around the world, including the Dorchester in London, the Beverly Hills Hotel in Los Angeles and the Palace Hotel in New York. The Sultan, who is reputed to be worth about £20bn, is said to have given full backing to his brother in fighting the lawsuit.

While the Sultan is fairly reclusive, Prince Jefri has a playboy reputation. He has four wives and three children. He owns a fleet of 600 cars and a yacht called *Tis*, complete with two speedboats christened *Nipple 1* and *Nipple 2*. He once hired Rod Stewart to sing at a birthday party for his children.

The case continues today.

Scooters race back to top ten

A new breed of scooter-commuter is turning the once-unfashionable vehicle into the boom sector of the two-wheeler trade. Sales figures for January show that scooter sales were up 62 per cent on the same month last year.

The machines whose popularity peaked in the "mod" era of the 1960s, snatched three places in the two-wheeler top 10, dominated for years by sports bikes.

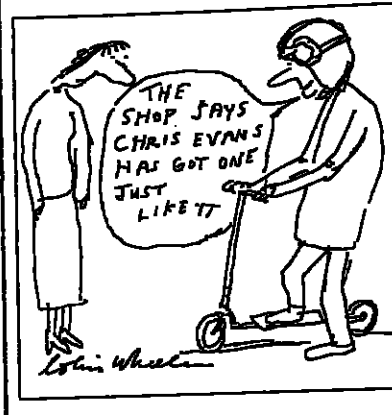
The scooter's ailing public image has been given a boost in recent years by its adoption as the favoured mode of transport of stars, including Oasis's Gallagher brothers, former Take That star Robbie Williams and DJ and presenter Chris Evans. Industry insiders believe that the trendsetters are being joined by more mature people, who have realised that the car is no longer the most practical way of getting around town.

A total of 5,255 two-wheel machines - 4,403 motorcycles and 852 mopeds - were registered in January, about a third more than the same month in 1997, a year when sales reached a 10-year high. For the first time, scooters feature in the top 10, with Peugeot's Speedfight 100 at number five and two moped scooters at numbers eight and nine.

Scooters have suffered a precipitous decline in popularity since the 1960s, when thousands used them to get to the office or factory and the mods turned them into a vital style accessory.

As cars became more widespread, the two-wheeler market was dominated by die-hard bikers, most of whom wanted machines with the slick looks of a Grand Prix racer.

A Motor Cycle Industry Association spokesman said: "Scooters are being driven by people new to two wheels, including a lot of middle-aged people attracted by improved journey times, lower running costs and cheaper insurance compared to cars."



How Kegworth air-crash hero drove out the demons



Judgment day: Graham and Rose Pearson after the verdict Photograph: Andrew Buurman

The first man at the scene of the 1989 Kegworth air disaster was awarded £57,000 damages at the High Court yesterday for post-traumatic stress disorder. Clare Garner spoke to him about how his rescue efforts changed his life.

Graham Pearson can remember the precise position of the 20 bodies in the mangled fuselage. To his left, a man was dead. To his right, a woman who said she was not in pain. She had broken her spine.

It was dark, except for a dim orange flicker of lights from outside. The smell was of a butcher's shop, the atmosphere macabre. "You can imagine, you've got a woman there saying: 'Get my baby out. Get my baby out.' Another person is holding the hand of his wife saying: 'I know she's dead.' Someone is saying: 'Have I still got my feet?'"

For a few minutes Mr Pearson, 39, was lost in time. Nine years had shrunk to nothing as the monstrous memories of the night of Sunday 8 January 1989 gripped his mind. "And that," he said apologetically, "is what's quite difficult to deal with."

Mr Pearson, who lives in

Hull, had been travelling north on the M1 with his wife, Rose, 34, when the British Midland Boeing 737-400 crossed his path. As soon as it hit the ground he instinctively ran to help.

Three and a half hours later he emerged from the wreckage, the only civilian rescuer, covered in blood and mentally scarred for life. But Mr Pearson did not see it that way. The former Royal Marine felt he had only done what anyone else would have done.

The truth was that his rescue efforts had taken their toll. He had become a different person. His wife could hardly recognise him and his children did not understand why they were being shouted at all the time. Their son, Wesley, who was five, became disruptive at school.

"It got to the point when we actually told our oldest children that Mummy and Daddy were divorcing, that we couldn't continue in this relationship because of the mood swings and my temper," said Mr Pearson. "I would erupt at the children for no real reason. Trivial things would just wind me up."

Something as small as a baby crying overhead was enough to trigger a flashback. In December 1994, he reached an all-time low. He came across a motorway pile-up but was unable to stop and help, and felt riddled with guilt afterwards.

Over the years, Mrs Pearson

had begun to believe her husband: that nothing was wrong with him and that it was she who must have the problem. In June 1995, she issued an ultimatum. He must visit Dr Gordon Turnbull, an expert on post-traumatic stress disorder, at Ticehurst House Hospital, West Sussex, for a consultation - or else they must consider living separately for the children's sake.

Dr Turnbull diagnosed Mr Pearson as having severe post-traumatic stress disorder. His denial that he had a problem was a classic symptom. Mrs Pearson remembers thinking: "Thank god for that. It's seven years and someone actually believes me."

Two months later, he was admitted for a two-week residential therapy course. His wife recalled: "I thought: 'How can they bring back my husband from seven years ago in 13 days? But when I got to Ticehurst and I saw him, just the look on his face told me that all the hurt and all the pain had gone away, and stood in front of me was my husband again.'"

Mr Pearson was presented with a bravery award from the Royal Humane Society in 1990. "It was all framed nicely. I've never put it on the wall. I've never told people," he said. "I think maybe after this [case] it may go up on the wall and that's part of feeling it's come to a close... I can actually look at it and it's not going to upset me."

Healthy competition

Almost half the 100 health authorities in England have submitted bids to become the first Health Action Zones, schemes intended to bridge the divide between health and social care.

About 10 will be selected in the first phase, to start in April, which will share £34m in funding over the next two years. The schemes will target areas of deprivation and are intended to link NHS organisations, local authorities, community groups and businesses in projects to help the elderly, children and mentally ill people.

Jeremy Lawrence, Health Editor

Grisly find

Police are investigating the discovery of a 65-year-old foetus in a school in south-west Scotland.

It was found in a jar by a 13-year-old pupil at the Douglas Ewart High School, near Newton Stewart, Wigtownshire. Police later found it had been loaned to the school 15 years ago for educational purposes.

A report will be sent to the Procurator Fiscal.

Bomb error

An RAF pilot accidentally bombed the wrong Scottish island during a training exercise, it emerged yesterday.

Two 1,000lb bombs, one of them live, were dropped on uninhabited Am Balg near Cape Wrath by one of two Jaguar jets involved in the mock bombing raid.

But the mission's intended target was An Garbh-Eilean, also uninhabited - more than 20 miles away.

Heritage boss

Eric Anderson, former headmaster of Eton College and a one-time teacher of Tony Blair, has been appointed chairman of the Heritage Lottery Fund (HLF), responsible for handing out £250m a year.

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Christmas Day killer trapped by DNA test

A student who murdered a teenage girl as she walked home from a Christmas Eve discotheque two years ago was jailed for life yesterday.

As Kathy Marks reports, a massive DNA testing programme helped to trap Louise Smith's killer.

The one small comfort for Louise Smith's parents yesterday was that David Frost, 22, pleaded guilty at the last minute, sparing them the ordeal of sitting through a two-week trial.

Frost, a civil engineering student at the University of Surrey, changed his plea, admitting that he murdered 18-year-old Louise, a clerical worker, and dumped her naked body in a quarry near her home, in Chipping Sodbury, near Bristol.

Her body lay undiscovered

for seven weeks, despite the efforts of a volunteer army of 10,000 people, including friends and neighbours of the family, who joined police for the search.

The grim find was eventually made by two 13-year-old boys, who were throwing stones into the disused quarry.

At Bristol Crown Court yesterday, with Louise's parents and brother, Richard, in the public gallery, the judge, Mr Justice Bell, told Frost: "It was an evil thing that you did in the early hours of Christmas Day

two years ago, taking the life of Louise Smith. There is only one sentence for murder and that is life imprisonment."

Frost, of nearby Yate, who was described by police as "a very intelligent, clean-cut young man", denied a further charge of rape. The plea was accepted by the prosecution.

After sentence was passed, Louise's parents, Gillian and Robert, called for the return of the death penalty.

Mr Smith said: "People who are opposed to the death penalty should have seen our house-

hold over the last two years and the misery that David Frost has caused."

Louise, described as an intelligent, bubbly girl, had spent the evening with friends at Spirals nightclub in Yate shopping centre. A security camera caught her leaving the club just after 2am.

After going to a nearby hamburger bar, she declined two offers of a lift home, as she lived only a 10-minute walk away. She was said to have been looking forward to a traditional Christmas Day with her family.

The court was told that Frost was also captured on camera. After drinking heavily in a public house, he turned up at the nightclub just before 1am, but failed to gain admission.

In interviews with police, Frost said that he approached Louise on her way home and persuaded her to walk with him to the Barnhill Quarry, where he took her clothes off and had sex with her.

Afterwards, he said, she began to get upset. "She was crying louder and louder, and I tried to calm her down, rea-

soning with her," he told detectives. Then I put my hand on her mouth and tried to stop her screaming. She went silent."

Frost said that he panicked and dragged her body to the edge of the 200ft deep quarry, which he knew well because he had played there as a child. Louise was wearing only her shoes when she was found. Her clothes, jewellery and handbag were scattered around the area.

Police visited 10,500 homes during the investigation and also interviewed more than 14,800 people. DNA tests were

carried out on 4,500 men. A sample was also requested from Frost, who had been staying at his parents' house for the Christmas holidays. He agreed, but did not turn up to an appointment, and then left for South Africa to take up a job with an engineering company.

Officers contacted him there and mouths swabs were eventually taken, which resulted in a close DNA match. Police travelled to South Africa to interview him, and he then returned to Britain, where he was arrested.



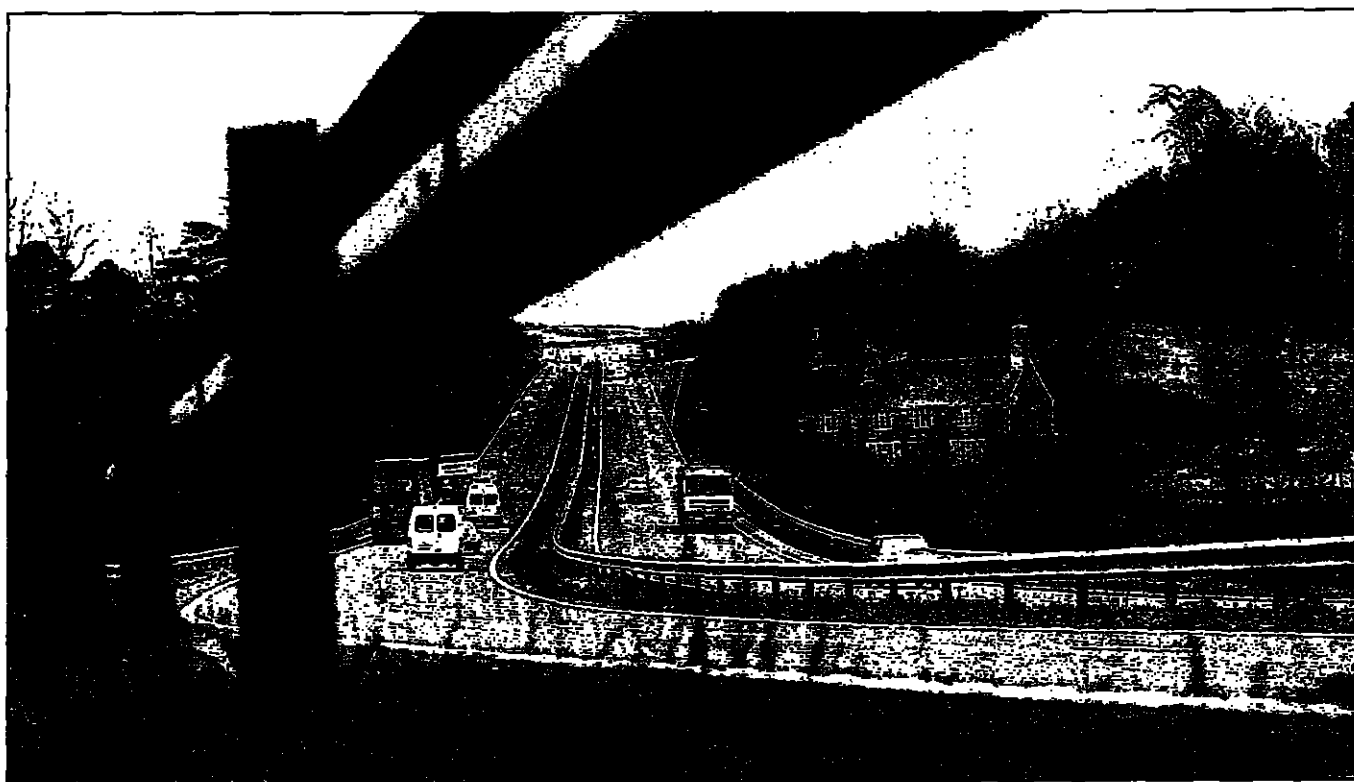
Some of the 10,000 volunteers who helped search for Louise (above left) after Frost (also pictured) dumped her body in a disused quarry

Photograph: Christopher Jones

Experts say the unsayable: new roads are not always good for the economy

Dead end: Road improvements to the A38 in Cornwall did not noticeably produce more jobs, a member of a committee of leading academics has observed

Photograph: Apex



For years, the notion that new roads bring employment to isolated parts of the country has been virtually unchallenged by the Government.

But, says Randeep Ramesh, Transport Correspondent, a report by influential ministerial advisers has said the unsayable: more roads do not mean more jobs.

An obscure but important committee of academics, the Standing Advisory Committee on Trunk Road Assessment (Sactra), warned that the benefits of new road links may often be "misplaced".

The argument, used mainly by local authorities when lobbying for new highways, was also questioned by Gavin Strang, the transport minister, who said that building new roads would not solve traffic problems.

For years, many academics have argued that funding huge road programmes would not have a detrimental effect on local economies.

The Council for the Protection of Rural England produced a report in 1993 which

questioned Cornwall County Council's request to "catch up with the rest of the country in terms of more roads".

One Sactra committee member pointed out that improvements to the A38 in Cornwall had certainly increased access but had not noticeably produced jobs in the county.

John Whitelegg, professor of environmental studies at John Moores University in Liverpool, also produced a report a year later that looked at whether employment rates matched road building.

"I found there was no correlation," said Prof Whitelegg.

"In East Anglia I looked at Kings Lynn, which had no new roads but performed very well. Whereas the M65, which linked Burnley, Nelson and Colne to the M6, had not seen new jobs created."

The report - which is an interim statement from Sactra - also states that there is "scope to achieve some reduction in national traffic volumes through traffic restraint measures which will at the same time improve economic efficiency".

This measure is also echoed by a report by Phil Goodwin, a transport expert at University College London, which claims that closing roads can reduce congestion.

Greener authorities - such

as York - have promoted car-free city centres as a way of decreasing car use without harming local businesses.

The Liberal Democrats welcomed the report. Matthew Taylor MP, transport spokesman, said: "Building new roads can suck jobs out of depressed areas rather than helping them, whilst limiting traffic in city urban areas can actually make them more attractive and so encourage economic development."

The Sactra report angered the road-building lobby. "Our research shows clearly the economic benefits of road improvements. The idea that the quality of service on offer from the road network has no impact on national or local economies is a fairly heroic assertion," said a spokesman for the British Road Federation.

According to the RAC, more than 600 communities in Britain want new bypasses.

The Freight Transport Association, which represents 12,000 companies including the major supermarkets, said it had given evidence to the committee that there was a link between jobs and new roads. Geoff Dosssetter, a spokesman for the FTA, said: "The one sure way to kill a city centre off is prohibiting the operation of goods vehicles. No goods, no cities."

Railtrack to bid for infrastructure of Tube in network sell-off

London's Tube network is likely to be broken up into two or three companies and sold off, according to the boss of Railtrack, the owner of the country's mainline track and stations.

Gerald Corbett, Railtrack's chief executive, admitted the company had been in talks with the Government over the future of London Underground. "I understand that the Tube will be split into two or three infrastructure companies on long leases," he said yesterday.

Mr Corbett added that the train companies - such as the Piccadilly Line - would be kept in the public sector. Railtrack confirmed that it would bid to buy up the whole network. "It makes sense for us ... we have 1,500 engineers in rail-based investment projects," he said.

The decision to split up the Tube is a half-way house between Treasury plans and Deputy Prime Minister John Prescott's idea of a public-private partnership. Mr Prescott proposed to lease all the infrastructure - the tunnels and the tracks - to one company for 30 years. The only firm big enough to handle that large a contract is Railtrack.

However, the Treasury ar-

gued that by offering up three separate bits of the network, as well as the train companies, to the market, bidders would compete - on the basis of lower subsidies - to take over sections of the Tube. The compromise is also likely to placate the unions.

Railtrack said it had offered ministers a small stake in the company in return for taking over the Tube. However, ministerial sources said this had been rejected - because the plan gave the Government no say in what the company was doing.

Mr Corbett said London Underground would be a priority for Railtrack and said the company could upgrade the ailing system. "There is a lot we could do. For example, new orbital lines linking south London or a line from Stratford to Heathrow."

Railtrack executives were answering reporters' questions in response to a BBC radio interview with Gavin Strang, the transport minister, in which he announced that the Tube was to be "modernised".

The Tube, which carries more than 1.6 million people every day, is falling apart and in dire need of cash. Next year it will receive £300m for its "core"

operations. That is £50m short of the amount needed just to stop the rot. To clear the "investment backlog", the service needs more than £1bn.

Mr Strang also said that improving the network was a priority, not just for London, but the whole country. "We have to invest more in the Underground and we have to improve the standard and level of service and capacity."

A six-month delay to the opening of the £2.7bn Jubilee Line extension was announced yesterday because of continued signalling problems.

London Transport said it regretted the delay, which means the line will now open in Spring 1999 instead of this September. The 10-mile extension, from central London to Stratford, via the millennium Dome in Greenwich, was originally due to open in March of this year.

London Underground's managing director, Denis Tunnicliffe, said: "I understand how frustrating a further delay will be for businesses and communities in south and east London who are eagerly awaiting the real benefits the new underground line will bring."

— Randeep Ramesh

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Slow reaction by vets 'made BSE epidemic worse'

Claims that the BSE epidemic could have been cut by a third if vets had acted sooner to identify the disease will be examined by the public inquiry into the background of "mad cow disease", the Government said yesterday.

The history of the origins of bovine spongiform encephalopathy and steps taken to tackle it are to be investigated by the inquiry headed by Lord Justice Phillips beginning next week.

The pledge comes amid claims that the first cases of BSE were identified 14 months earlier than officially recorded.

One of the scientists advising ministers on BSE said earlier action could have had a "very, very significant effect" on the size of the epidemic, and the amount of infected meat entering the human food chain.

A new BBC series, *Mad Cows and Englishmen*, to be broadcast next Sunday, claims

that a pathologist at the official Central Veterinary Laboratory first discovered "cow scrapie" in September 1985. The diagnosis was made on a Friesian cow from a farm near Midhurst, West Sussex, where the alarm was first raised at the end of 1984.

However, the disease was not officially identified by the Central Veterinary Laboratory until November 1986, as a result of a separate investigation

into an outbreak on a farm near Ashford, Kent.

Ministers were informed about the new disease the following summer, and a ban on the use of animal protein in cattle feed, thought to be the cause of BSE, was introduced a year later in June 1988.

Professor Roy Anderson, a member of the Government's advisory body on BSE, said if the beef ban had been introduced earlier, up to a third of

the 170,000 cases of BSE diagnoses so far could have been prevented.

He also said that less infected meat would have entered the human food chain.

He told BBC *Breakfast News*: "There are a lot of ifs and buts about this case and I should say from the beginning it is easy to be wise with hindsight. Given that there was a slight delay during the expedient growth phase of the epi-

dem, the phase in which it is growing very rapidly, early intervention can have a dramatic effect on the course and this particular period - '87, '88 - was a period when the epidemic was growing extremely rapidly.

"Therefore, intervention 12 or 14 months earlier, unfortunately, would have had a very, very significant effect if it had taken place."

But, he said, no one should be held responsible for the de-

lay. "I do not think it is constructive to ascribe blame to individuals or people or, as it were, organisations."

It was important to look at the lessons that could be learnt from the BSE epidemic which showed that human societies were vulnerable today to new diseases," Professor Anderson said. "We have to be vigilant and react quickly."

It was impossible to predict the risk posed by the new strain

of the human version of the illness, Creutzfeldt Jakob disease. "With only 23 cases at the moment the future is extremely uncertain and it will stay so for another three to five years."

A spokeswoman for the Ministry of Agriculture, Fisheries and Food said: "These are all issues which Lord Justice Phillips' public inquiry into BSE will address. The Government is not in a position to pre-empt its outcomes."

'Golden hellos' add sparkle to jobs for graduates

Job prospects for students who graduate this summer are at their best for a decade, with employers increasingly offering "golden hellos" to attract the most promising recruits.

Lump sums paid to graduates average £1,000, but can vary between £300 and £2,500, according to the research group Incomes Data Services.

The "upfront" money is aimed at high-flyers or those with specialisms in high demand and is particularly welcome for those with large student loans to repay.

Having employed an extra 18 per cent of graduates in 1997, companies are planning to raise their intake by a further 17 per cent this summer.

Managers claim, however, that they are finding it increasingly difficult to secure the services of quality recruits. Researchers at IDS believe that students are still achieving the same standards, but that employers want "more of the best".

The biggest jump in graduate intake this year is being planned in the finance sector, where employers predict they will be taking on 30 per cent more degree holders this year than last. In 1997 they employed nearly 40 per cent more than in the previous year when recruitment had declined by 16.7 per cent. At the Halifax the demand for degree holders increased by 77.5 per cent. In 1996

it took on 12 university leavers, but last year it employed 105.

In a survey of 100 organisations, the research group found that median starting salaries are expected to be £16,000 this year compared with £15,500 in 1997. The range of starting pay last year however was between £11,160 and £25,000, compared with average earnings throughout the economy of £19,200 for adults working full time.

It is possible that while the number of jobs on offer will go up, they will not all be taken. Last year a third of companies complained that they were unable to fill all the vacancies, particularly in information technology and engineering.

Apart from golden hellos, managements are also offering interest-free loans and upfront salary payments. To build ties with the people they want, firms also offer sandwich-year work placements and sponsorship schemes. Companies find that it is not easy to retain the services of graduates. They held on to 77 per cent of their 1994 intake and less than 60 per cent of those they recruited in 1992.

Advertising in the national press is still the most popular method of attracting graduate applicants, according to IDS, but more than a tenth of companies are also using the Internet to reach college leavers.

— Barrie Clement
Labour Editor



Art lovers getting a close-up view of an exhibition of paintings by the French artist Pierre Bonnard which opens at the Tate Gallery in London on Thursday. Photograph: David Rose

Priest's claim of innocence is a lie, jury is told in child sex abuse case

A Catholic priest accused of sex attacks on schoolchildren lied when protesting his innocence. It was claimed in court yesterday.

Evidence from the complainants - four women and two men - had clearly shown identical features in the way they were indecently assaulted by Fr John Lloyd, it was said.

Richard Twomlow, for the prosecution, told the jury at Cardiff Crown Court, that it was not a case where an accidental touching by the priest could have been misinterpreted years later.

"This is a case where someone is telling you lies. The prosecution say the person who

is telling the lies is the defendant."

Fr Lloyd, 57, denies four charges of rape and 17 counts of indecent assault on pupils aged between eight and 13. The offences are alleged to have taken place over an 18-year period from 1970, when Fr Lloyd was working in parishes in South Wales.

The court has heard one woman claim that as a nine-year-old she was raped more than 20 times by Fr Lloyd as he heard lunchtime confessions at her primary school.

Mr Twomlow told the jury the woman had no other reason for making a complaint years

later except to tell the truth about what happened.

"Why else should she come forward with the prospect of a hearing as public as this one, to be cross-examined, to be accused of fantasising... unless of course it is true?"

Earlier, several of his former parishioners appeared as defence witnesses for Fr Lloyd, currently on leave from St Joseph's Church, Penarth, near Cardiff. The priest was described by teacher Ruth Flanagan as "the nicest person I have ever seen with children".

Mrs Flanagan, who attended Fr Lloyd's church at St Mary's, Chepstow, Gwent, said

youngsters would flock to his side whenever he appeared at school.

Allar boys would also quarrel over who should be allowed to serve at the services he conducted. Children had a good relationship with him and enjoyed his company, she added. She never saw anything to make her think he ever behaved improperly towards them.

"He came across as a father figure. I think the children saw him as a person of strength, civility and decency," she added.

The trial was adjourned until today when the defence counsel, Ian Murphy QC, will make his closing speech.

Homework competes with paid work

More than 40 per cent of 14-year-olds have a regular paid job and may be jeopardising GCSE work for extra pocket money.

A study by the schools' health education unit at Exeter University estimates 759,000 youngsters aged 11 to 15 are in work. One in 25 14-year-olds works more than 10 hours a week.

It is illegal for children to work under the age of 13 unless they are working for a parent or guardian.

The research was published yesterday to raise awareness before the second reading of a private member's Bill on Friday urging tighter controls on employment of children.

The Employment of Children Bill was drawn up by Chris Pond, Labour MP for Gravesend, in Kent. The report said "earners" were also more likely to have a boyfriend or girlfriend, drink alcohol and to have been offered drugs.

John Balding, director of the unit, said: "It seems participation in the world of work, as well as raising health and safety issues, is also connected with initiation into a variety of other health-related activities."

A spokeswoman for the National Union of Teachers said: "There is a potential danger that children working too many hours could damage their future for the sake of earning £10 a week." She added that parents

should make sure children balanced work and homework and that shopkeepers should not sell drink and cigarettes to children.

The boys mainly had paper or milk rounds, followed in popularity by a range of other jobs including manual work, baby-sitting, farm work or gardening, paid housework and working in shops. The most popular jobs for girls were baby-sitting, paid housework, and a paper or milk round.

Mystery blasts go back in time

Mysterious blasts of energy producing more explosive power than anything else known in the universe date back almost to the dawn of time, astronomers said yesterday. Gamma-ray bursts, first spotted in the 1960s, spew out more energy in just 10 seconds than the Sun will produce in 10 billion years.

Astronomers from the University of Cambridge have now calculated that the dimmest bursts detected are so far away that their light has taken nearly the whole of the time the universe has existed to reach us. They would have occurred at the time the first stars and galaxies

were being formed, shortly after the Big Bang which created all the matter in the universe about 15 billion years ago.

The discovery also means gamma-ray bursts are about 20 times more powerful than had previously been estimated. They appear to dwarf supernovas, exploding dying stars, once thought to be the most violent objects in the universe.

Scientists still do not fully understand what causes gamma-ray bursts. It is thought they are linked with the death of massive, short-lived stars. Some experts think they occur when huge stars collapse to form black holes.

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DAILY POEM

On Sharing a Husband

By Ho Xuan Huong (translated by John Bataban)

Screw the fate that makes you share a man.
One cuddles under cotton blankets; the other's cold.
Every now and then, well, maybe or maybe not,
once or twice a month, oh, it's like nothing.
You try to stick to it like a fly on rice
but the rice is rotten. You work like a servant,
but without pay. If I had known how it would go
I surely would have lived alone.

The poems for this, pre-Valentine's Day week come from *The Book of Love*, an 800-page anthology of prose and poetry from many different periods and cultures, edited by Diane Ackerman and Jeanne Mackin (WW Norton, £22.50). Ho Xuan Huong was a concubine or "wife of the second rank", without a dowry, from a poor family in China around 1800.

Supermarkets to house polling booths as Prescott pledges council shake-up

Voters may use electronic polling booths in supermarkets in annual local elections under proposals published by John Prescott yesterday.

A Green Paper on local government also suggests citizens' juries, focus groups and referendums in an overhaul designed to "modernise Britain, giving power back where it

belongs - to the people", the Deputy Prime Minister said.

Local authorities could also be allowed to select executive mayors and run their operations under Cabinet-style committees. Mr Prescott said the Government would give priority to legislating for the changes once a consultation had taken place. "At the end of the process,

we want councils that represent their people more effectively and respond to their needs. This is an area where we can lead the world," he said.

The document, *Modernising Local Government*, aims to make authorities more representative by winning back voters lost from the electoral rolls and attracting a wider range of

councillors. Ministers hope plans for the electoral register to be updated constantly instead of just once a year might help to win back some of those who

are missing, estimated at between 2 and 4 million people. They say it might also help to improve turnouts, which are just 40 per cent in local elections here compared with 93 per

cent in Luxembourg, where voting is compulsory, and 80 per cent in Denmark, where it is not.

The document said 35 per cent of councillors were retired, 75 per cent were male and too few were from ethnic minorities. By reforming the time-consuming system of committee meetings set up in Victorian times more of the under-rep-

resented groups might be persuaded to stand for election.

The document proposed separating the executive and representative functions of councillors to provide greater clarity about who was responsible for decisions. Under such a system "backbench" councillors could be more effective and have a higher profile while

taking on a lighter workload, it suggested.

Sir Jeremy Beecham, the chairman of the Local Government Association, welcomed the paper and said it marked the beginning of a new era for local authorities.

However, he added that they also needed to see capping abolished and non-domestic

rates returned to local control.

"Increasing democracy is not just a laudable aim in itself, it is necessary if we are to show electors that local government is important; that their councils can make a difference to their lives. However, greater financial autonomy is just as important in making this connection," Sir Jeremy said.

New Labour MPs bring CND back to the heart of parliament

A great Labour tradition that had died away with the ending of the Cold War has been rekindled, writes Steve Boggan - a parliamentary branch of the Campaign for Nuclear Disarmament.

Twenty-eight Labour MPs met last month to re-establish the Parliamentary Labour CND, a body which once boasted the membership of Tony Blair, Jack Straw and Gavin Strang, none of whom are expected to rejoin.

The old Parliamentary CND withered away between the general elections in 1992 and 1997. Last summer, however, Harry Cohen, MP for Leyton and Wanstead, Jeremy Corbyn (Islington North), and Alan Simpson (Nottingham South), reacted to growing concern among Labour MPs over an apparent stalling of the disarmament process and the lack of

government commitment to speed it up.

They held a meeting with William Peden, CND's parliamentary officer, on 15 July at which it was decided to invite Labour members to rejoin, and to approach Ann Cryer, the Keighley MP whose late husband, Bob, used to act as treasurer. Mrs Cryer volunteered to take on Mr Cryer's old role and an audit of the group's bank account found it to be "very healthy". On 24 January in room W4 off the Great Hall at the Palace of Westminster, the Parliamentary Labour CND was reborn, with 28 MPs paying £5 subscription. Significantly, 11 were new MPs.

The rebirth, although at first sight a sentimental occasion - CND's 40th anniversary is next week - reflects a more serious groundswell of concern among Labour MPs about cuts in welfare spending while, in their view, defence spending is too high. Several early-day motions,



Back on the agenda: In 1986, Ronald Reagan and Margaret Thatcher were CND's favourite Cold War targets

Photograph: David Dyson

inspired by CND, have been very well supported by new as well as old Labour MPs. One, put forward by Mrs Cryer last July, reiterated the desire to "rid the world of nuclear weapons and the threat they pose to it".

It was supported by 49 Labour MPs, including 19 new members. Another, which expressed concern over stockpiles of plutonium, attracted the support of 99 Labour members, including 57 new ones.

Mr Corbyn said he expects Labour under Tony Blair to frown upon membership of the group but applications are still flowing in. "I think Tony Blair should worry about this and ensure that when the results of the

defence review come out, we don't end up spending more on the military or blowing more money on subsidies for the arms industry," he said.

Asked whether old members - listed as T Blair, J Straw or

G Strang - were expected to re-join their memberships, he replied: "We're not expecting them to apply. And we haven't had any offers from an A Campbell offering to act as our press officer."

Child support payments to be simplified in agency overhaul

Reforms to the Child Support Agency will be set out before the summer, welfare minister Frank Field said yesterday. *Fran Abrams, Political Correspondent* says Mr Field conceded that the agency was not working and needed an full-scale overhaul.

Calls for a Government-backed voluntary system under which parents would agree arrangements for the support of their children when they divorced were rejected by Mr Field.

Instead, the minister for welfare reform, speaking in a Commons debate called by the Liberal Democrats, suggested that a simple solution would be to relate payments directly to the earnings of the absent parent.

The CSA has met with constant criticism, with some people arguing that it fails to take account of individual circumstances and others that it is too complex because it tries to do just that. MPs have received many thousands of complaints about its working and large numbers of families on benefits have not received payments.

Mr Field said it would be unfair to blame CSA staff, as the

formula they had to use was so complex that 90 per cent of their time was spent grappling with it. The Government's reform would aim to support children, get payments to families in need, to give parents more choice, protect taxpayers, move the issue of access up the political agenda and establish a system staff could understand.

At some stage soon, ministers would have to decide

whether to follow the "voluntary-type principle" put forward by the Liberal Democrats, to have easily understood rules backed by enforcement, or whether the House thought it had the "wisdom to legislate for the complexities of people's lives", he said.

Opening the debate, the Liberal Democrat spokesman, David Rendel, said the CSA had failed and should be abolished.

He called for a system of mediation to arrive at voluntary agreements, backed by a family court or tribunal to enforce fair decisions when disputes arose.

"The Child Support Act has failed to meet the needs of absent parents, it has failed to meet the needs of parents with care and, above all, it has failed to meet the needs of children. The Child Support Act is beyond repair and it is now as friendless

as it is unfriendly," he said.

Conservative Simon Burns said the aim of the CSA had been to safeguard children and its principles should be maintained. It was impossible to get a voluntary agreement in most cases and this was why the agency had been set up. "Where this is possible, and in a perfect world... there should be a voluntary agreement - but this is not the purpose of the CSA," he said.

But Sinn Fein's chief negotiator, Martin McGuinness, said: "The RUC are unacceptable to the nationalist people in any guise. They cannot be reformed."

Plans to make the Royal Ulster Constabulary more accountable were under fire last night from nationalist politicians. Launching the most far-reaching review of police accountability in 30 years, Mr Mowlem, Secretary of State for Northern Ireland, said a consultative paper, focusing on how to create greater community participation in the appointment of the police authority, was an effort to produce a more open and accountable policing service.

But Seamus Mallon, deputy leader of the Social Democratic and Labour Party, said it was superficial and did not even attempt to address the serious problems of policing.

Blair think-tank dismisses Europe as a PR disaster

Fear and ignorance about the euro are still widespread, and New Labour-type rebranding exercises are unlikely to be won over citizens, according to a report. *Katherine Butler in Brussels* looks at a perennial problem.

A British study today says the European Union is a public-relations disaster and warns Brussels against a campaign to make citizens accept the single currency. *Demos, the think-tank* hired by Tony Blair to help rebrand the Labour Party and then Britain, says Europe is more unpopular than ever, with just 46 per cent supporting membership, and more than half admitting they "feared" introduction of the euro.

"There is no mystery," its report claims. "Forty years of elitism are coming home to

roost". It accuses Eurocrats of letting the EU become "bogged down in bureaucratic minutiae" while failing spectacularly to overcome apathy and ignorance. Echoing the Blair campaign to create "a people's Europe", it says Brussels ought to exercise extreme caution before trying to win over a hostile people to the single currency. "The probable effect is a further erosion of the tenuous support the EU holds," write the report's authors, Mark Leonard.

Last night Neil Kinnock, the Transport Commissioner, said proposals outlined in the report would promote understanding. But privately some EU officials dismissed British attempts to "rebrand Europe". "This sounds like the viewpoint of newcomers. The British are waking up from a long night's sleep on Europe," said one official.

Primary responsibility for conveying the EU to people is with governments, not Brussels, and none had done more to vil-

ify the image than the British, said another. Attitudes also vary, with, for example, high approval ratings in Ireland, while levels of ignorance are worst in Britain. "Only in Britain do we still find around 4 per cent... who do not know their own country is an EU member-state," said Anna Mellich, in charge of opinion polls at the European Commission.

Spyros Pappas, the commission's director-general for communication, admitted the public were neglected in the early years but it was "unfair" to assume all citizens viewed the EU with the disdain fostered in Britain by the last government. He said 800,000 citizens a day call the EU site on the Internet. But the report accuses those in charge of the EU of failing to forge a recognisable European "identity". Only one in ten Europeans see farm incomes as important, yet half the EU budget and a fifth of ministerial meetings are devoted to the Common Agricultural Policy.

'Rent-a-mob' behind benefit protests

Tony Blair's official spokesman last night dismissed as a rent-a-mob the protesters who heckled Gordon Brown, David Blunkett and Harriet Harman at a series of welfare roadshows on threatened cuts in benefits to the disabled.

Ms Harman last night reinforced an assurance by the Prime Minister to the disabled who could not work that no-

one in real need would be denied the support they needed.

As the Secretary of State for Social Security prepared to face more protests in Middlesbrough last night over possible welfare cuts, Downing Street said the protests were coming from Socialist Workers' Party activists and not members of the Labour Party.

"The same guys shouting in Sheffield were at Gordon's meeting in London. I don't know whether they can scrape together the bus fares to go to Middlesbrough tonight. I think it's a case of 'have SWP poster, will travel'," said a senior government source.

— Colin Brown, Chief Political Correspondent

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— Colin Brown, Chief Political Correspondent

هكذا من الأصل

Zhirinovsky's away-day to Baghdad grounded half way

Vladimir Zhirinovsky wanted to fly to Baghdad. He got as far as Armenia. Charles Holmes, our man on the aircraft, reports.

This is not Baghdad. Reaching the Iraqi capital is the mission of many Western journalists these days as storm clouds gather amid the impasse between Iraq and the United Nations. With diplomacy lumbering, the United States and Britain have threatened an air war to punish Saddam Hussein. The Iraqi regime has not allowed many journalists to enter their country but the press corps in Moscow saw a way.

Russian ultra-nationalist leader Vladimir Zhirinovsky, a self-proclaimed "good friend" of Saddam Hussein, planned to lead a "humanitarian mission" to Baghdad with a rare airline flight into Baghdad's infrequently used airport. All journalists, Russian and foreign, were welcomed aboard, he said.

On Sunday, 120 of us ploughed through Moscow's snow to the airport, lugging computers and satellite telephones and the kind of perverse optimism that comes with a potentially momentous story. The airliner was to fly non-stop from Moscow to Baghdad through the no-fly zone enforced by American and British fighter pilots to guarantee that Saddam Hussein's military no

longer threatens his own people or his neighbours.

But it was a no-fly zone of a different kind. The Zhirinovsky flight remain grounded on Sunday for 14 hours in Moscow. Near midnight, we finally took off to the inexplicable destination of Armenia. And the waiting continued yesterday in the Armenian capital of Yerevan, a place completely irrelevant to Iraq except that it happens to be about halfway between Moscow and Baghdad.

Last night in Armenia, Mr Zhirinovsky announced that departure to Baghdad could be imminent, later in the evening or today.

Throughout the two-day excursion, the notorious Mr Zhirinovsky, leader of the ultra-

right Liberal Democratic Party of Russia and himself nicknamed "Vlad the Mad", sought permission to fly through the airspace of Iran and Azerbaijan. Both denied it.

But the biggest refusal of all came from the UN, which apparently harboured doubts about his goodwill mission and has thus far withheld permission for the flight into Iraqi airspace.

Mr Zhirinovsky, accompanied on the plane by two dozen fellow MPs, laid the blame with the US, claiming that Russia was being humiliated by Washington. Last night, reporters were facing perhaps a third day of Mr Zhirinovsky's bizarre odyssey, and contemplating covering a new story: the political situation in Armenia.

Iraqi 'zombie gas' arsenal revealed

President Saddam Hussein was last night accused of stockpiling a new nerve gas called Agent 15, capable of paralysing victims into a zombie-like state. Intelligence sources have warned the allies preparing for an attack on his arsenal of weapons of mass destruction that Iraq has possessed the capability to make large quantities of Agent 15 since the 1980s.

George Robertson, Secretary of State for Defence, told MPs: "At the time of the Gulf war Iraq may have possessed large quantities of a

chemical war mental incapacitant agent known as Agent 15." Immediate effects of exposure include weakness, dizziness, disorientation and loss of co-ordination. Officials said large doses could prove fatal, and could render victims into a zombie-like state.

The decision by the allies to disclose details of the nerve agent is part of the build-up of opposition to President Saddam, intended to bolster public opinion for the threatened military action by Britain and the US against Iraq.

The agent was not included in an inventory of suspected weapons issued last week by Robin Cook, Foreign Secretary. Analysts said Agent 15 would not be among the most potent weapons in the Iraqi armoury and Gulf veterans said they did not believe it had caused their illness.

It is a glycolate compound, the type of which has been tested by American forces as a possible means of disorientating an enemy. The US tested such an agent, BZ, on troops and videoed them in a state of

mental confusion, unable to even recognise their own friends. Glycolate agents can produce hallucinatory effects and throw an army into chaos.

Their only suspected use was in Mozambique in 1992 when government forces said they had been subjected to BZ by South African troops. But Alistair Hay, a chemical-weapons expert at Leeds University, said troops wearing gas masks would be well-protected against glycolate.

Colin Brown, Chief Political Correspondent, and Ian Burrell

TURKS PUSH INTO KURDISTAN

Thousands of Turkish commandos backed by armour pushed into Kurdish-held northern Iraq yesterday, witnesses said. The Turks said the soldiers had gone to set up camps at Kurdish towns for potential refugees from any conflict between Washington and Baghdad.

The Defence Minister, Ismet Sezgin, said the government had studied the possibility of a security zone in northern Iraq to prevent refugees flooding to Turkey's border. "If there were such an operation it would be on humanitarian grounds, to prevent a repeat of the events of 1991." A million Iraqi Kurds stampeded to Iran and Turkey after a failed Kurdish uprising against Baghdad following the 1991 Gulf war. That influx prompted the US-led Western allies to carve out a "safe haven" in the north to keep Kurds out of Iraqi government control. — Reuters, Diyarbakir

WAR TOURISTS HEAD FOR IRAQ

Not since the days when society lady Fanny Duberty rode her horse among the British ranks in the Crimea has war tourism been so popular. To the astonishment of the Foreign Office and the anger of MPs, British holidaymakers are signing up for a £1,350 tour of Baghdad.

A London company is offering a package which includes a four-wheel drive across the Iraqi border and a stay in the Al Rasheed Hotel, where BBC reporter John Simpson watched a missile shoot past his window at the start of the 1991 conflict. Phil Haines, the holiday organiser, from Twickenham, said that a group of 12 tourists is due to embark on the trip over Easter. But with the Iraqi capital under threat of imminent attack from American and British forces in the Gulf, Ann Winterton, Conservative MP for Congleton, said "no one in their right mind" would go on such a trip. — Ian Burrell



Hidden talents: A masked dancer performing in Paro, Bhutan, during his four-day visit to the secluded Himalayan kingdom. Photograph: PA

Charles takes a step back in time

The Prince of Wales stepped back in time yesterday when he became the first British royal to visit Bhutan, the small Himalayan enclave where life has changed little over the centuries.

The Prince, on the final leg of a three-nation Asian tour, is one of relatively few people allowed to visit the kingdom, which borders China and India.

He is touring Buddhist monasteries, known as "Dzongs", and will spend time trekking in the hills.

Few signs of the 20th century were to be seen as the royal entourage was driven along a single-track road through the hills to the Kyichu Temple, built 1,300 years ago by a Buddhist Tibetan king. Here, the Prince stood before one of the holiest statues in Bhutan, depicting Buddha as a prince at the age of eight, and lit a candle.

King Wangchuck, 42, inherited the throne of Bhutan at 17. The King, Prince Charles's host on this trip, is not used to criticism, and a recent critical report by Amnesty International is unlikely to be raised during the Prince's four-day visit.

According to Amnesty, political dissenters in the kingdom are tortured. Men are allegedly held naked in freezing temperatures, publicly flogged and beaten with iron rods.

Life in Bhutan is strictly regulated with an eye to keeping out Western influences or modernisation. In the south of Bhutan a community of Nepali refugees, who settled there 100 years ago, are rebelling.

The United Front for Democracy in Bhutan has written to the Prince urging him to advise the King to institute democratic reforms.

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Vatican bows to pressure over opening wartime archives

Lord Janner succeeded yesterday in persuading the Vatican to open some of its wartime archives. Marcus Tanner says the move will defuse a growing row over whether the Catholic church dirtied its hands with the Nazis' plundered loot.

Nazi gold campaigners battling to prize open the Vatican's secret wartime archives scored an unexpected victory yesterday,

after papal officials offered to hand over 12 volumes to the scrutiny of the Holocaust Educational Trust.

The breakthrough followed the arrival in Rome of a delegation led by Lord Janner, the trust's chairman, and the former Tory minister Lord Hunt, chairman of the Inter-Parliamentary Council against Anti-Semitism.

After his successful meeting with Archbishop Tauran, Under-Secretary of State for the Holy See, Lord Janner said: "We have taken the first firm steps towards tracing the truth."

The former Labour MP added: "He [the archbishop]

undertook to provide 12 volumes of documents researched some 26 years ago and said when he had analysed them we should come back to them and they would look further."

Until now, the Vatican has steadfastly refused to grant outsiders access to its archives, which are bound by a 100-year secrecy rule. The church authorities insisted they had looked at the papers and there was nothing to confess. They said the archives also contained spiritual information which it would be quite inappropriate to release.

However, the church has been shaken in recent months

by a furor that shows no signs of disappearing over allegations that it helped in the disposal of treasures looted by the Nazis.

Speaking before his meeting Lord Janner told Radio 4's *Today* programme that it was quite unacceptable for a "great moral centre of the world" such as the Catholic church not to open up its archives. People deserved to know "whether the allegations that the gypsies are making, that their plundered wealth is in the Vatican, are true or not," he said. "We are certain there were dealings between the Vatican, the Holy See at that time, with the Nazi authorities."

Lord Janner's coup is the first solid fruit in a campaign which has been growing since the end of last year. In November, just before the Nazi Gold conference opened in London recently discovered documents were published in the United States which suggested the Vatican had kept tons of Holocaust gold on behalf of the Nazi puppet regime in Croatia. Croat fascists, known as Ustashe, governed the country from 1941 until their defeat at the hands of Tito's Communists in 1945.

The Simon Wiesenthal Centre, which spearheads the in-

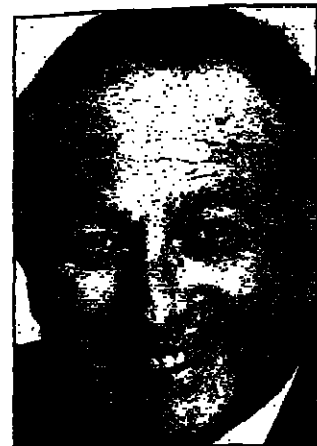
ternational hunt for Nazi war criminals, then called on the Holy See to open its archives and dispel rumours about the church's role in hiding gold looted by the Ustashe from their Jewish, Serb and Romany victims.

The centre claimed that this hoarded money was used to finance the so-called "rat runs", by which Croatian fascists, including the Ustashe leader Ante Pavelic, were spirited out of Europe to Argentina and other Latin American states under Red Cross passports.

At the London conference the Vatican at first said it would not attend at all, though it lat-

er consented to send two observers. These observers were not empowered to speak. But widespread calls at the conference for the Vatican to open its files clearly increased pressure on the church to override the century-long secrecy rule.

At a time when the church is particularly anxious to clear its conscience over its role in fomenting anti-Semitism in the run-up to the millennium, the Vatican clearly did not want to become embroiled in the same kind of controversy that has erupted over Switzerland's record in relation to gold confiscated from Jews by the Nazis.



Lord Janner: 'Firm steps towards tracing the truth'

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Scouts from land of the free queue up to sign Cuban exile

At the end of last year Orlando Hernandez escaped to the Bahamas from Cuba by raft. Phil Davison, Latin America Correspondent, tells why he may now become a multi-millionaire while many of his friends on the raft will be struggling in dead-end jobs.

Pitching baseballs for the Cuban national team, Orlando Hernandez earned only £3 a week. But he was the best on the island, placing him among the top pitchers in the world, so everyone called him el Duke (the Duke).

Then he got blacklisted by Fidel Castro after his half-brother defected. So Hernandez got on a leaky raft last December and rowed from the island. Yesterday, he got his first chance to show what most believe - that he will soon be earning several million a year in the US Major Leagues. But not everyone will be happy for him.

Dozens of scouts, mostly from US Major League teams, showed up at the stadium in San Jose, Costa Rica, to watch

the Duke throw a fastball for the first time "on free soil". It was only an exhibition game but rarely was one man's arm so intensely observed. Is it, as many predict, worth several million a year? If so, there will be many who begrudge him his success. His special treatment by the US has upset many Cuban exiles.

The Duke hit the headlines soon after his half-brother, Livan Hernandez, who defected from Cuba in 1995 and signed up for the Florida Marlins for an estimated £4m, won the game's highest award last year, the World Series, and the title Most Valuable Player.

Livan told newsmen that his half-brother was an even better pitcher. When Orlando and seven friends finally arrived in the Bahamas after a 10-hour overnight raft ride, one of Florida's top agents, Cuban-American Joe Cubas was waiting.

With baseball fans still talking about Livan's rags-to-riches tale, the US State Department quickly granted visas to the Duke, his partner Noris Bosh and his catcher Alberto Hernandez (no relation). The other five rafters would have to remain in a Bahamian detention centre until being returned to Cuba, it ruled.

The US reasoning was that the two baseball players represented cases "of special public benefit" while Ms Bosch's acceptance would be "humanitarian". No one doubted that a big baseball contract had influenced Washington.

Many Cuban-Americans were furious at the discrimination against the other five rafters, not to mention hundreds of others sent back to Cuba over the last two years.

Apparently heeding the criticism, the Duke declined his US visa, saying he wanted equal treatment for his seven fellow-rafters. Instead, with special permission from the Bahamas, all left together for Costa Rica last month.

A fine gesture by the Duke. As it happens, by going to Costa Rica he avoided the US baseball draft, a system which would assign him a specific team, and won the chance to negotiate with all the big boys.

And so yesterday, the Duke and his catcher strutted their stuff. But not all their fellow rafters showed up. While the baseball players will eventually earn millions, the others were yesterday looking for menial jobs. And the word was not yet in on the value of that arm.



Rags to riches: Orlando Hernandez practises in Costa Rica, where he exhibited his pitching skills for Major League scouts

Photograph: Reuters

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Lewinsky called to testify in court

Monica Lewinsky, the former White House trainee alleged to have had an affair with President Bill Clinton and lied about it, has been summoned to testify in court on Thursday, it was reported yesterday. Her lawyer, William Ginsburg, was expected to contest the order.

He insists that she be granted immunity from prosecution before testifying. She has denied under oath having a sexual relationship with the President and could be charged with perjury if she now admits an affair.

Mr Ginsburg believed that Kenneth Starr, the independent

prosecutor overseeing the investigation, had agreed to grant his client immunity and says he has signed letters to that effect.

Mr Starr is reported to have set additional conditions, including a face-to-face interview with Ms Lewinsky and perhaps a lie detector test, before finalising the offer of immunity. Mr Ginsburg is preparing to go to court to enforce the offer. Ms Lewinsky is being required to give evidence in the inquiry into allegations that she and the President had an affair and that he induced her to deny it. — Mary Dejevsky, Washington

Attack on Shevardnadze

An explosive device was detonated near the residence of Georgian President Eduard Shevardnadze in Tbilisi last night, injuring several people. The president was unharmed.

A presidential spokesman called the incident an assassination attempt. It was the second apparent to kill Mr Shevardnadze, who once served as a Soviet foreign minister before Georgia gained independence. — AP, Tbilisi

Bosnian Serb protest

Hundreds of Bosnian Serbs protested against the recent arrest of a Serb accused of killing the Bosnian deputy prime minister in 1993. About 700 people blocked a Sarajevo road demanding the man's release. Last Friday, police from the Muslim-Croat federation arrested Goran Vasic, suspected of killing Bosnian deputy prime minister Hakija Turajlic in January 1993. — AP, Sarajevo

France to ban pitbulls

France said yesterday it planned to outlaw the import and sale of pitbulls due to mounting public concern over the safety of rearing them as pets. The ban is part of a broader Bill expected to protect domestic pets and restrict potentially dangerous animals. — Reuters, Paris

Quake toll at least 3,800

Afghan officials said they had buried more than 3,800 people killed in an earthquake that ravaged a remote northern area of Afghanistan last week, but many bodies still lay unrecovered. Bad weather continued to hamper relief efforts, with only a small aircraft from the International Red Cross and a plane load of blankets from Pakistan landing more than two hours drive from the quake site. — Reuters, Dushanbala

Clashes in Sierra Leone

The gunfire that has killed at least 16 in Freetown, Sierra Leone capital, for four days fell silent yesterday but a radio station warned that renewed fighting could be imminent. Nigerian-led West African peace-keepers have been advancing toward the city since Thursday, according to a radio station loyal to the ousted government of President Ahmed Tejan Kabbah. — AP, Freetown

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Forgotten victims of war in Sri Lanka

Peter Popham reports from Sri Lanka on the desperate plight of the hundreds of thousands of ordinary Tamils affected by the war in the north.

With no end to Sri Lanka's 15-year long civil war in prospect, the plight of the nation's one million internal refugees is turning into a humanitarian catastrophe.

Fleeing from the ferocious battles along the road that leads to the northern city of Jaffna, hundreds of thousands of displaced Tamils are living in improvised shelters without electricity, running water or sanitation, dependent on rations dispatched from the South.

The Colombo government disputes the claimed size of the population of Vanni, the northern region, and only sends rations for half that number. The result, according to a Christian Aid worker who recently returned to Colombo, is malnutrition on a scale unprecedented in Sri Lanka's history.

A recent survey of 16,000 children, found that only a quarter were properly nourished. More than a third were suffering from third-degree malnutrition, the level beyond which children exhibit distended stomachs and skinny frames. Anecdotal evidence suggests that small numbers of people have already died of starvation.

Malnutrition exacerbates the region's health crisis. Much of Vanni is dense jungle, and where the refugees have cut down trees to make shelters, malaria is now raging out of control. In the Mullaitivu district on the north-east coast, nearly 340,000 people were treated for clinical malaria in 1997, amounting to half of all outpatients seen. The Christian Aid worker said: "Every other person one meets in Vanni has contracted malaria at least twice. It is normal to meet

people who have had malaria seven to nine times since they were displaced to Vanni."

The epidemic results in a breakdown of resistance to other diseases long banished from Sri Lanka, such as tuberculosis and typhoid, which have again become common.

This crisis is made worse by the government's embargo on medicines. Along with the rationing of food and other goods, the government has, since 1995, imposed tight controls on the shipping of medicines to the North. Even such basic medicines as aspirin and antibiotics are in short supply.

If images of northern Sri Lanka's internal refugee crisis were to reach the outside world, there would be an international outcry. But since the resumption of hostilities in April 1995, the government has enforced a strict blackout of independent coverage of the war.

Talking to people recently returned from the region, it becomes clear why. It is because the Government's writ runs no further than the areas which it has under direct military control. The far northern town of Kilinochchi, for example, which has been fiercely contested this week with up to 300 deaths on both sides, was formerly home to some 50,000 Tamils. When the battle for the town began in 1996, the entire population fled into the countryside.

This is in a sense a black-and-white struggle: where the government digs in, the population - 100 per cent Tamil - flees. The only exception is Jaffna, where half the 450,000 population has returned since the government retook the city in November 1995.

The government's plan to rebuild the historic Tamil Library there has begun the work of creating trust, as have the local elections held last month. But elsewhere the task of persuading the North's Tamils that they belong not to Eelam but to Lanka, has yet to begin.



Signs of the time: A man looks at a poster gallery promoting 'The Berlinale', the 48th International Film Festival, which runs in Berlin from tomorrow until 22 February. Photograph: AP

Kohl fights to restore confidence after call to delay Emu

At the weekend 155 German economics professors signed a letter demanding that economic and monetary union within the EU be postponed. Yesterday, writes Imre Karacs in Bonn, the government fought back.

Senior members of the German government fought to restore confidence in the euro yesterday, following an unprecedented assault on monetary union by an influential group of academics.

A European stability culture has been achieved; time is ripe for the start of monetary union, Chancellor Helmut Kohl thundered. The new currency, in case anyone was wondering, was "in Germany's interest".

Mr Kohl was responding to calls at the weekend by 155 economics professors that Emu should be delayed. In a letter sent to the *Financial Times* and the *Frankfurter Allgemeine Zeitung*, the academics had demanded an "orderly postponement" of Emu, beyond its official launch date

next January. The professors, drawn mostly from the top universities of Germany, say they have no quarrel with the project itself, only with its timing. In their view, the countries applying to join Emu have not done enough to consolidate their finances. The two biggest potential members, France and Germany, are lambasted for being unprepared "to cope with the more rapid structural change and stiffer competition in a monetary union".

"Nonsense," countered the government chorus. Theo

Waigel, the Finance Minister, was wheeled out to reassure Germans that, against all expectations, his budget last year had not strayed from the straight and narrow of the Maastricht criteria.

Klaus Kinkel, the Foreign Minister, followed the hymn sheet with religious devotion. "I am as sure that [Emu] will be launched as I am of hearing 'amen' in the church," he affirmed. Otherwise, "the exchange rate of the Mark would soar, our exports would collapse, the economic upturn would be choked off and jobs would be endangered."

It is not only government officials who equate the academics with horsemen of the apocalypse. "The professors are playing with fire at the petrol station," said Norbert Walter, chief economist of Deutsche Bank.

"This manifesto will add to unease among the population. Together with the rising unemployment, it may be an explosive combination."

Professor Walter, like his colleagues at other leading institutions and the Bundesbank, did not sign the letter. He feels that the authors of the manifesto are "out of touch

with the interaction of economics and politics". "They don't realise that the nations of Europe would be at each other's throats if the euro were delayed."

For the moment, the prospects of a delay are regarded as rather slim. The financial markets kept their cool yesterday, but are watching events closely.

An erroneous report at the weekend that four other professors had made progress with their legal action against the euro in Germany's highest court had already sent a shiver through Frankfurt.

China's police round up dissidents after arrest of US-based activist

Chinese police have started to round up dissidents who have had contact with Wang Bingzhang, the US-based Chinese pro-democracy campaigner who entered China last month under an assumed name, as part of a plan to set up an opposition organisation.

In Shanghai, one activist was detained yesterday and another is believed to have been in police custody since Sunday.

Mr Wang and another mainland dissident were arrested on Friday in central Anhui province. Mr Wang left China almost 20 years ago, but last month managed to sneak back in from Portuguese-held Macau.

Mr Wang may have thought he could outwit China's state security apparatus, which is on a permanent state of high alert and keeps even low-level political activists under surveillance. It is likely the police were aware quite quickly that 50-year-old Mr Wang had entered China, but waited to see whom he contacted.

Dissident groups outside



Held: Wang Bingzhang, the activist who entered China from the US last month under an assumed name

China yesterday said they expected more arrests.

Mr Wang appears to have residency status in the US, but not American citizenship. The US embassy in Peking yesterday said it was seeking information on Mr Wang's status and detention.

Any moves to form groups in

China, either by political or union activists, are swiftly snuffed out by China's state security, despite Peking's protestations that the country is politically stable. It is unthinkable that a meeting of the planned organisation, to be called the Justice Party, could have taken place without state security knowing about it. Chi-

na's leaders know that soaring unemployment probably makes the social environment fertile for sowing the seeds of political discontent. Millions of state enterprise workers, particularly in the north-east, are losing their jobs and finding that the old Communist social welfare system has disappeared.

In recent years, demonstrations by redundant workers have been treated relatively leniently, but any moves by activists to set up independent trade unions or workers groups have been crushed.

Mr Wang left China in 1978 to attend medical school in Canada. In the early Eighties he moved to the US where he started to publish a magazine called *China Spring* and formed a group for exiled Chinese dissidents. The two men who have now disappeared in Shanghai are Yang Qinheng 44, who has already served five years in jail or labour camp, and Zhang Rujuan, who spent two-and-a-half years in prison.

Teresa Poole, Peking

Chirac damns Corsica's killers

President Jacques Chirac yesterday blamed a murderous cocktail of organised crime and political extremism for the assassination of the French Government's most senior official in Corsica last week.

Investigators believe that Claude Erignac, the island's Prefect, may have been targeted because of his stand against crime and corruption in Corsica, rather than as a political symbol of the French state.

Mr Chirac, speaking at a memorial ceremony in Ajaccio, declared the assassins to be "enemies of the Republic" who would be ruthlessly hunted down. He said the murder of Mr Erignac, the most senior victim to date of Corsica's 24-year old civil conflict, flowed from a mixture of "murderous folly, worst-case politics and a Mafia-

like drift" in the island's splintered independence movement. Several other French politicians in recent days have broken a virtual taboo on discussing the alleged links between separatist factions and the island's clamish organised crime groups.

Mr Erignac had taken two decisions which might, according to the police, have made him a target. He intervened to prevent the sale of an old fort in Bonifacio to a buyer who wanted to convert it into a hotel and casino. He also opposed an increase in the number of slot-machines in the casino in Ajaccio.

Police arrested 12 people yesterday in raids on suspected extremist hide-outs. Two young men of Moroccan origin, arrested soon after the murder on Friday night, are still in custody. John Lichfield, Paris

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Fires pose threat to the jungle animals of Borneo

Borneo's forest fires are wreaking havoc on the local wildlife, our correspondent in the Kutai National Park says the blazes threaten to turn the jungle into an ecological desert.

When it comes to the local wildlife, Pak Pomiman is anything but sentimental, though even he becomes a little pensive when you ask him about the orang utans. "They got on my nerves because they used to eat the plants," he says, pointing up at a cocoa tree in his small plantation, "but now that they're gone, it's not the same ... In the morning, you could hear them calling and playing together, and they would come with their babies and teach them to climb around the small trees on the plantation."

"Some of them weren't afraid of humans - you could almost touch them. But

which began last summer and resumed in the new year after a brief respite, threaten to accelerate the process dramatically. Apart from causing irreparable damage to the jungle's delicate eco-system, they represent a potential holocaust for some of the world's most vulnerable species.

"Only birds and the larger mammals can escape from fires like these," says Ron Lilley of the World Wide Fund for Nature (WWF) in Jakarta. "Everything else gets burned to a crisp. We've put out insect traps in areas that have been burned and there's nothing, even in areas that went up 15 or 20 years ago. Once an area of primary forest has gone, that's it. It's not coming back."

"Population sizes are going to decrease and it's certainly going to have an impact on endangered species," says a spokeswoman for the WWF in Samarinda, the capital of East Kalimantan. "It was bad enough last year, but this has the potential to be the same again or worse."

In the Kutai National Park, home to about 2,500 orang utans, 1,500 of the park's 200,000 hectares are ablaze or burned out. Rangers of the Forestry Protection and Natural Preservation Department believe some of the apes must have died. The rest have fled into untouched primary forest in the centre of the park. Their concentration in one area puts pressure on its food resources. After last year's fires in the Tanjung Puting park in Central Kalimantan, the river margins became refugee camps of displaced apes. Those who wander into human settlements face the risk of being killed or captured for sale.

The fires have indirect effects which will be felt long after the blaze is extinguished, as an internal WWF report, prepared by an scientist in its office in East Kalimantan and obtained by *The Independent*, points out. Trauma and starvation can cause females to miscarry or become infertile. Smoke haze reduces the temperature and the amount of sunlight, affecting plant growth and the abundance of forest food. The absence of birds, bats and insects makes it less likely that flowers and plants will be pollinated and that seeds will be dispersed. In several spots in Borneo underground peat has caught fire, destroying not just the jungle but the very soil in which it grows.

"We are talking about hundreds of hectares reduced to biological desert," says the author of the WWF report. "Fire which destroys trees upstream, can cause soil to slip into rivers and even have an impact on coral reefs tens of kilometres away. Nothing like this works in isolation."

BY RICHARD LLOYD PARRY

I haven't seen or heard them for a month, and I feel very sad."

Twenty feet above his head among the branches of the cocoa trees is a rough nest of sticks which, until the beginning of January, was the daily haunt of a family of Borneo's most famous and best loved ape. Clearly visible on the next hillside a few miles beyond is the reason why the nest has been deserted - columns of grey smoke rising from the brush and forest fires which are burning all along this stretch of road in the Indonesian province of East Kalimantan.

"We used to get hornbills and parrots here," says Pomiman, "and normally at this time of year you see cobras and other snakes. But they have all gone."

Of all the victims of the forest fires in Borneo, none have been hit so directly as the island's unique wildlife. Apart from the orang utan, the Kutai National Park, on whose fringes Pomiman lives, is home to gibbons, long-tailed macaques, proboscis monkeys, sun bears and countless amphibians, insects and birds.

Many were already threatened by the steady incursion into their jungle habitat of hunters and farmers. But the forest fires,



Orphan of the fire: A baby orang utan faces a bleak future as its East Kalimantan forest home burns yet again. The fires are doing irreparable damage to the jungle's delicate eco-system
Photograph: Tanyo Bangun

Politics gets in the way of safety

Earlier this year, German, Japanese and EU forestry experts working with the Indonesian government produced a public information film aimed at reducing the danger of forest fire. The film was to have been screened on all Indonesia's television stations, but, weeks after completion, it has still not been shown.

The problem was the opening sequence, which begins with the following words, over scenes of the thick smoke which hung over South-east Asia in 1997, causing fatal boating accidents, and deaths from asthma: "Last year, hundreds of people died because of haze..."

"The Ministry of Forestry was unhappy about it," says a European participant in the project. "They didn't like to admit how bad it was."

Quite apart from their social and ecological ramifications, the fires rekindling themselves in Indonesian Borneo have from the beginning been a knotty political problem. Their causes are partly natural (the drought which has affected the entire region), and partly economic (the scramble for land by forestry, mining and plantation companies). But their duration and effects have been made worse by the touchiness, corruption and inflexibility of the government of President Suharto.

Failure to face the facts is only one part of the problem, which is politely set out in a paper by Ludwig Schindler, leader of the German-run Integrated Forest Fire Management project in East Kalimantan. "The Ministry of Forestry lacks sufficient authority and infrastructure to respond effectively in the event of a forest fire," he wrote. "Linkages to the regions, to other government ministries and to the private sector are weak ... Fire is only a symptom."

When the fires began last year, the ministers for environment and forestry responded promptly, naming big timber and plantation companies as the culprits. President Suharto himself reiterated a ban on forest burning, and 176 companies were named as violators. But according to witnesses in East Kalimantan province, several of these same companies are burning again this year, without any obvious show of concern on the part of the authorities.

So far the fires have had little effect on Java, the island where 60 per cent of Indonesians and all the influential ones, live. In fact, last year's fires might have been almost ignored if their smoke had not drifted over to Singapore and Malaysia. It was the anger and diplomatic pressure of these countries which forced Indonesia to address the problem, however ineffectively, and which may yet do again.

— Richard Lloyd Parry, Samarinda

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'Golden hour' that can save your life

Speed killed Diana, Princess of Wales, but from the moment of the impact in the Paris underpass, speed was the only thing likely to save her. Jeremy Laurant, Health Editor, on the crucial hour after a car crash.

Just over 100 vital minutes elapsed between the moment that the Princess's body, unrestrained by a seat belt, was tossed crazily inside Dodi Fayed's Mercedes and the moment that her prone form was wheeled into Pitié-Salpêtrière hospital three miles away.

The delay could have meant the difference between her death and some kind of continuing, though probably grievously damaged, life, according to two US journalists, who claim to have provided the first comprehensive account of the crash that killed her.

A central claim of *Death of a Princess: An Investigation*, by Tom Sanction and Scott Macleod of *Time* magazine is that the apparent cause of the Princess's death, a torn pulmonary vein, might have been successfully repaired had she been got to hospital earlier. They quote a US heart surgeon, John Ochsner, retired head of surgery at Ochsner clinic in New Orleans, who said that the pulmonary vein cannot have been seriously torn or she would have died immediately at the scene from loss of blood. The fact that she survived long enough to reach hospital suggests that the tear was minor. "With that lesion if you can get them in a hospital and on a heart-lung machine early enough, you can save them. But time is of the essence," Dr Ochsner said.

The book alleges that there was a delay of an hour and three-quarters before the Princess reached hospital, due to the French practice of providing as much expert care at the roadside as possible. It is unclear, however, how much of that time was spent releasing her from the Mercedes in which she was trapped by one leg. Firemen eventually cut her free.

The French emergency service, Samu, takes anaesthetists and experts in resuscitation to the scene of an accident,

sometimes by helicopter, and is highly regarded in Britain. Efforts would have been made to reduce the shock to the Princess's body, caused by loss of blood and fluids, and immobilise her for the journey to hospital in case of spinal injury. She was apparently given a blood transfusion at the roadside.

Dr Frederic Mailliez, the emergency doctor who was first on the scene, said: "The philosophy here is to try to stabilise the patient as much as you can because travelling with this kind of status can be very dangerous for a patient. So we try to restore a little bit of blood pressure and some other things before we start to drive."

In essence, this is little different from the approach that would be taken in England. Attitudes to emergency care have changed in the last decade with a growing recognition that providing immediate help at the roadside can increase the chances of survival for seriously injured patients over the old policy of "scoop and run" - picking accident victims off the roadside and rushing them to hospital. That has meant that most emergency ambulances in Britain now carry a paramedic specially trained in resuscitation. But efforts at resuscitating or stabilising a patient have to be strictly limited. The crucial proviso is that patients must still be got to hospital inside the so-called "golden hour".

The "golden hour" is the time within which medical or surgical intervention by a specialist trauma team has the greatest chance of saving life. If more than 60 minutes has elapsed by the time the patient reaches the operating table, the chances of survival fall sharply.

Dr Andrew Mason, spokesman for the British Association of Accident and Emergency Medicine and a consultant at Medway Hospital, Kent, said he had confidence in the French system of emergency care but agreed it would be unusual for doctors to treat a patient at the scene of an accident for as long as an hour and three-quarters. "If it is true, it does seem a bit strange. We tell our ambulance crews to spend 20 minutes at the outside, stabilising or resuscitating patients at the scene. If they are



Beat the clock: Swift action is imperative if crash victims are to stand the best chance of survival. Could emergency services have responded faster in Paris? (below)

not making an impression they should scoop and run."

Reports that the ambulance carrying the Princess was ordered to drive slowly to avoid worsening her condition and that braking and accelerating could be "bad for blood pressure" were also puzzling. Dr Mason said. If a spinal injury was suspected - a possibility in the Princess's case - the ambulance driver might be asked to proceed slowly, for fear of aggravating it. But where there is significant blood loss, speed is of the essence.

Dr Mason said: "If someone is conscious and dying of loss of blood the best you can do is resuscitate them at the scene and transfer them to a specialist trauma centre within the golden hour. The more you can lessen the surgical shock, caused by the loss of blood and fluids, the better. But you have only got a limited period - 60 minutes - to reverse or stabilise the patient's condition. If you miss that you have lost the patient."

However, Dr Mason said the

allegations in the book awaited confirmation and the exact details of what happened were unclear. "My information is that Samu is extremely good. If they were there, Princess Diana was getting the best treatment she could have got."

Even if the Princess had got to hospital sooner the chances of saving her would have been slim, given the extent of her injuries. If the tear in her pulmonary vein had been minor it might have been possible to repair it. But it is highly unlikely that was the only place from which she was losing blood.

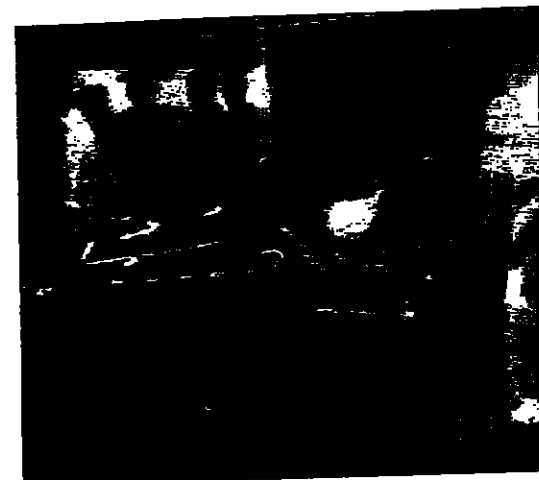
Dr Tim Coats, a senior lecturer in accident and emergency care at the Royal London Hospital, Whitechapel, said: "She would have been bleeding from many places internally and finding where she was bleeding from is a problem in itself. In this kind of severe incident, it is very difficult to spot because there are so many things happening." He added: "If someone's heart is not beating the primary concern of the doctor is to get it beating again,

not surgery. If you can't get the pulse back after five minutes the person is dead."

In London and some European and American cities, helicopter ambulances can speed the delivery of seriously injured road accident victims to hospital. There is little evidence that they improve survival, however. Studies in London have shown that a road ambulance with siren and blue light can reach the scene of most accidents as quickly as the helicopter. The cost of maintaining the London helicopter ambulance, with its own heliport

on the roof of the Royal London Hospital at Whitechapel, is equivalent to that of 13 road ambulances.

At 1am on a summer night in central Paris, a helicopter is unlikely to have improved Princess Diana's chances of survival over a conventional ambulance. Given the ferocity of the crash and the extent of her injuries, only a miracle could have saved her. But there is here a collective longing to rewrite history and there are plenty more theories that could be built around what might have been.



'So, you don't want a needle there? Why don't I stick it in your Abundant Splendour?'



DR PHIL HAMMOND

"Dr Paul Cronin took a weekend course in acupuncture and was delighted to discover a quick and easy alternative medicine." So proclaims an article in *GP* magazine, accompanied by a stunning photo of Dr. Cronin all in beige and armed with a stick of the common mugwort (*Artemisia vulgaris*). This is apparently ignited and used for moxibustion - the warming of acupoints to strengthen the body's Qi in conditions characterised by coldness and deficiency. Fascinating stuff but I couldn't help pondering whether a weekend is enough to learn the lingo, master the mugwort and suss out the where, how and why of magico-religious needle sticking.

To be fair, Dr Cronin want-

ed two weeks in Peking, but he couldn't get the time off so he made do with a British "taster" courtesy of "Aagh" or (wait for it) Active Acupuncture in General Practice and Hospitals. As Dr C. observed, possibly not for the first time, "Aagh might be what you expect to hear from a patient when you stick a three-inch needle in them." The lectures were "a little rushed and didn't pretend to teach the essence of traditional Chinese medicine in a weekend", but this was to allow plenty of needle time. "A large part of the problem is having the confidence to thrust the needles through the skin, though it will probably seem easier with a patient than trying to needle oneself." You don't say.

The participants found that needle entry was usually painless, but the consequent renewal of Qi (energy) ranged from numbness to throbbing to "something strong which was quite hard to describe but not too unpleasant." And for some who'd brought their aches and strains along with them "the analgesic effects were instantaneous." However, the biggest attraction for Dr C. was that he could slip it into his routine NHS appointment times without prolonging them. This came as a surprise to me as the only time I've ever consulted an acupuncturist, he took half an hour to assess me before

reaching for his needles. And then the needles stayed in for a good 15 minutes. But Dr C has found that "the duration of the needling is relatively unimportant" and he's now seeing off all those aches and sprains without reaching for the prescription pad. "One day I might delve deeper into traditional Chinese medicine but for now I am happy to use its discoveries without concerning myself with its theories."

This struck me as faintly odd, since no doctor would admit to using the discoveries of Western medicine without at least a five-year medical degree and a bullshitter's acquaintance of the theories, but I know quite a few who've been on a weekend course of acupuncture and started using it the following Monday. When I was a senior house officer, a fellow junior doctor came back from such a course with 10 packets of needles and a textbook, and had the nerve to try it out in the Geriatric Day Unit with the book open on his lap. And for maximum placebo effect he used the traditional names of the acupuncture points rather than the numbers. "I'm just trying to find your Encircling Glory, Mrs Fanshaw. What? You don't want a needle there? Well how about I stick it in your Abundant Splendour?"

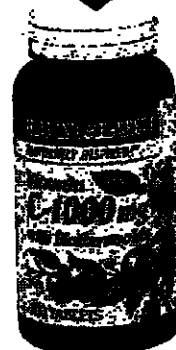
He was, of course, incredibly popular with elderly patients starved of attention,

conversation and touch. And one of the consultants was so impressed that he borrowed the textbook and got stuck in without even bothering with the course. This frighteningly slapdash approach is a fair reflection of medical training overall. There are plenty of doctors who learned to do lumbar punctures or put in chest drains or take liver biopsies with the textbook open on their knees. Even today, seventy per cent of new operations by junior doctors are done alone and unsupervised. If you can do major surgery by the seat of your pants, acupuncture should be a doddle.

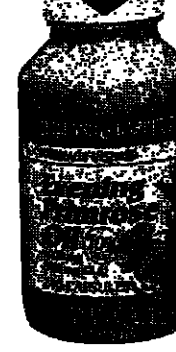
And a money-saver. Bob, a GP friend, did a crash course to cope with his heartsink patients. "You know, the really whinge ones in chronic pain who you can't get rid of." Initial results were very successful. "I loved the novelty value, they felt they were getting something special and I didn't have to dish out the painkillers."

So is he still doing it? "No. I thought I could sort them out with a few treatments, but they kept coming back again and again, and I just got fed up with prattling on about meridians and Qi when in my heart I think it's rubbish. I had to put on an act every time and it got quite tiring. So now they're all back to three months' worth of Brufen and a pat on the back."

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Triptych May-June 1973 by Francis Bacon



Private collection, Switzerland

Francis Bacon: the man who put the pain into painting?

Oh-oh, it's that man again. Mad Frankie's back in town. But what, asks our Art Critic, does he look like this time round?

It's nearly six years since Francis Bacon died, aged 82, with a good 50 years of painting behind him, and that might well be period enough for views to settle. They haven't at all. Bacon unquestionably remains a presence, a figure and a force to be reckoned with, but estimates of his work, even positive estimates, diverge radically – and, by way of reintroduction, here's the range, roughly.

There's the savage view (still probably the standard view), which sees in Bacon's art an outcry of agony and a nausea of mortality, a terrible vision of the human state generally, but with special reference to the 20th century (the camps, the death of God). Or there's the skittish view, a kind of irreverent take on the previous, which finds rather an expert flesh-creeper and monster-maker,

a shock-horror merchant with a macabre sense of fun. Then there's the social view, which stresses a much more urbane and various talent, a virtuoso player and portrayer of metropolitan-bobo life, a painter of wit and character. Finally there's the sublime view, which praises the vitality, the grandeur, the exaltation of his art, its ultimate life-affirmation in the face of torment, its triumph of the human spirit. Here Bacon becomes practically a candidate for a Nobel Prize.

It's hard to decide, and I'd like to. Bacon is obviously a big deal. But whichever view you try out, the others seem to have truths that can't be ignored. No doubt one could say the sheer range of possible responses is itself a sign of Bacon's greatness, or of his abiding power to unsettle. But that seems too easy a summary. Anyway, we now have the chance to look and think again.

Francis Bacon – *The Human Body* is the rubric for the Hayward Gallery's mini-retrospective. It sounds pretty inclusive – what else did he paint? – but actually the focus is tight. It means the full figure only. It leaves

out not just his landscapes and animals, but also his many head-portraits. Curated by Bacon's foremost interpreter, David Sylvester, the show has five triptychs and 18 single paintings, from 1942 to 1986. It's not a comprehensive showing but it's enough: enough to bring the big unsettled questions of Bacon's art jumping back to life.

For instance, you still need to ask, in a literal-minded way, whether Bacon really does deal in images of stark violence, damage, torture, disgust and rebarbative horror. And you still have to ask, more elevatedly, if Bacon really is in the great tradition of flesh-painting, the last in the glorious line of Titian, Rubens, Rembrandt, Velázquez. But simply to state the issues suggests the peculiar Bacon-effect. Here's a painter who seems to mix torment with high

spirits, and high art with low art, and how the mix works out is the crux. I can't adjudicate it: I can only throw out these miscellaneous and rather contrary thoughts.

Start with a technical point. One thing that strikes you, besides any horror, is the straight, eye-teasing puzzle of these ectoplasmic swerves of flesh, so physical yet so ungraspable. How's it done? What's going on exactly?

There seem to be three elements (I don't say they went down in this order). The first is a quite solid and clear depiction of a face or body, albeit often severely caricatured and fractured – something you could make a model of. The second: some very fugitive dissolves and fades, by which one part of the flesh melts and sucks into another part, while others suddenly vanish away or cut off into the void. You can see much of Bacon's work in the Fifties as practising these shimmering lights and transparencies, which bring bodies out of thin air and flick them back again. (Look at the *Nude Study* from 1951.) Then the third element: brush swipes and blots and splashes, where the paint no longer depicts anything, is just an energy, an attack, a twist. But, because these gestures of real paint take off from the gestures that mean flesh, the effect is of the flesh literally breaking or smearing the picture's surface, becoming tangible. So the painting is in continuous transition: real paint – fugitive flesh – solid flesh, back and forth between them.

The great painterly tradition? No, I don't see it; rather, a brilliant impersonation or promise of painterliness. You approach a Bacon expecting rich rewards, but, at close quarters, the paint-work isn't interesting.

is often very crude; no touch. It's only interesting for the image it coalesces into, its illusion of flesh-in-action. The intimacy only works long distance.

The cartoon aspect: long ago, John Berger acutely noticed Bacon's likeness to Walt Disney, his bounding lines and bouncy curves. Indeed, this is part of his shock-igness – the conventional invulnerability of the cartoon figure is violated. On the other hand, the irrepressible vitality of Bacon's figures, their "triumph of the human spirit", may just lie in their resilient cartoonish ability to bounce back.

Or put that in modern art terms: the question is whether Bacon's bodily "distortions" should register as form-variations, or maybe energy-expressions – or as actual bodily harm. Do they give pain, or do they save the figures from pain? Henry Tonks's delicate, realistic watercolours of the faces of WWI wounded are incredibly painful. A fractured Cubist portrait is totally painless, couldn't represent physical pain if it wanted. What is Bacon? Cubism carnalised?

Bacon has his figurative tics, anatomical twists that become repetitive: so often that same orbital explosion around the eye, that arc that sweeps the cheek, the way the jaw swings out or the calf bulges, the dumpy feet. But also he's the most inventive shape-maker, his blobs are terrific: look at the satanic shadow that spreads in the central panel of *Triptych May-June 1973*, or the foetal lumpy thing on the right of *Triptych – Studies from the Human Body 1970* (and if you look at the dark area where its face should be, you can catch, dimly, a perfectly realistic and sweet toddler's face, as if it were floating inside).

The flat backgrounds, those stage sets in which Bacon's bodies are isolated, are in really gorgeous, sumptuous colour-schemes (the opulent juxtaposition of deep magenta and buff-grey in that 1973

Triptych, say). The harmonies are superb – but the key is always, so to speak, C Major. One thing that draws us to Bacon's pictures is that their dominant colours are so straightforwardly attractive: great design, no pain there.

Would the bodies be so painful if they weren't coloured flesh-pink and blood-red? If, like Frank Auerbach's, they were messed about, but multi-coloured? But then the re-curring combination is actually red, pink and white, a strawberries-and-cream complexion, which can also be very tasty; or, in *Three Figures in a Room*, 1963, the figure sitting on the loo has a delicious pêche-Melba mix; or sometimes it's red, white and blue, like a lambent tropical fish. Lovely stuff.

The big triptych format is boring, a short-cut to equilibrium and grandeur. The props – the umbrellas, the cricket pads – which probably have only a formal motivation, can look very silly.

Bacon often spoke of "illustration" as the thing to be avoided in figurative painting, and was rightly sensitive to this word, because, if you imagine away all the messing about, you're left with a very facile and frankly cute illustration; and in the later work this comes more and more to the fore. He needed the disruption.

No good painting has taken Bacon as its example (his imitators are awful); the only people his work has directly influenced in a profitable way are cartoonists and illustrators – Scarle, Steadman, Ian Pollock. H Giger's designs for *Alien*, the monsters in graphic novels.

So what's the score between beauty, terror, energy, brilliance, slickness, cruelty, invention, crudeness, gaiety, cuteness, good taste, silliness, cliché, a fantastic box of tricks and something ineradicably memorable? Hm... Maybe I'll know next time round. To 5 April, Hayward Gallery, SBC, London SE1 (0171-960 4242)

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Just wind 'em up and watch 'em go

An exhibition of automata is by its very nature something of an oddity. There is more than a whiff of seaside arcade and end-of-the-pier pointlessness to a group of fantasy machines with an apparent life of their own. What are they for? Do they operate as social comment or as satire? They can do, but surely their primary task is to demonstrate man's ingenuity. In other words, to remind us that we are makers: that to construct a mad machine is a definition of our precious human individuality. The idea of *Devious Devices*, now at the Croydon Clocktower, is at once to entertain and to inspire us to have a go ourselves.

Audience participation is the order of the day: you have to press switches or pump handles or trigger sensors to get a response from these devious devices. Some are funny, some instruct – all are theatrical. The film-maker (and former Python) Terry Gilliam chose 18 objects that were somehow symbolic of the 20th century: a car, a psychiatrist's couch, a television, an electric guitar and so on. Eighteen artists were then asked to make an object in response to one of those symbols. Jim Bond, for instance, has made a creepy jukebox coffin-shrine to Jimi Hendrix, enshrouded in two wing-flapping angels. Sokari Douglas Camp has fashioned from sheet metal a Freud ("looks like Lytton Strachey," said someone in the crowd) revolving on a spit in synchrony with the naked torso of a white woman on an adjacent couch. Elsewhere is a gyrating cine camera with all-too-human characteristics. In a booth hang spare tails for Mickey Mouse. A rocket capsule opens to reveal someone doing the ironing.

One question immediately poses itself: will these objects wear themselves out? Prolonged frenetic activity takes its toll.



Ron Fuller's Tooth Fairy
Photograph: Emma Boam

The problem with such machines is that they invariably go wrong: the sensor is not sensitive enough or the billiard balls get jammed in the helter-skelter. (This is probably a philosophical position arising from the automaton-maker's desire to render utterly complex something usually very simple.) And these things can be dangerous, though for most that only adds spice. *The Genetist* by Jon Mills, all clashing scissors and cut-out hands on a surgical trolley, would happily go for the jugular if you got too close. Some, like this one, are ultra-modern; others, like Keith Newstead's motorcycle, invoke classic Victoriana. Mock-pearl raindrops descend upon the rider, but thankfully he has a collapsible hood – the Total Pro-

tection Raincover – to enclose him.

At the heart of the exhibition is the largest automaton here, *The Newstead-maranon Universe*, standing more than nine feet tall. A brilliant collaboration between Keith Newstead and Ralph Steadman, it conjures up a terrifying millennial world of yapping animals and flutulent swamp, all flying creatures and erectile proboscises, arms and eyes and planets, veritable flowers of evil.

Ron Fuller's *Tooth Fairy* comes closest to state-of-the-art Heath Robinson. It would do well as a cautionary tale in a dentist's waiting-room: the sugar bug circles a gaping mouth, knocking down teeth like ninepins; then along comes the tooth fairy to stand them all up again. Would it were ever thus.

On the way out, pause at Tim Lewis's untitled piece. It is a remarkable magical object. A circle of tiny figures are made to march when the lights come on, and you actually see them move, though logically you know they are solid and still static. How is it done? (It's actually rather a grim subject, reminiscent of Doré and Van Gogh's convicts tramping the prison yard.)

Throughout this exhibition the range of approach is wide, its products diverting. The only thing that seems a trifle arbitrary is the choice of artists. Where, for instance, is the work of the Glasgow-based Russian Eduard Bersudsky, master organ-grinder and kinemat-maker extraordinary. This strange lapse aside, the levels of craftsmanship, invention and eccentricity are refreshingly high. They're to be relished. Not for the impatient or for those who cannot dream.

—Andrew Lambirth

To 4 June, Croydon Clocktower, Katharine Street, CR9 (0181-253 1030), then touring

Three steps forward, one step back for Mr Brown



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It's all very well wanting to build the New Jerusalem but you really need to know what the completed structure should look like. The chief architect's next big day is coming up on 17 March: the day when Gordon Brown unveils the latest draft of the plans. Many of the important themes have already emerged, of course. The old Budget purdah has been swept away, and the practice of trailing policies well in advance means that the Chancellor's big speech will be much less of a lightning-bolt of executive diktat than it was in the past.

But we are still some way from a clear "big picture" - the sort of thing the Prime Minister wanted us to keep our eyes on throughout the distracting blizzard of politico-sexual trivia.

The central idea of the Budget is work, as in "welfare-to-". The Chancellor will try to tilt the incentives generated by the tax and benefit system sharply in favour of work. There are caveats, but the focus is right. The most important caveat being that

work cannot bring social justice or social inclusion to pensioners. The debate on future pensions is well advanced, but the plight of existing poor pensioners has been sadly overlooked (along with the intriguing question of the extent to which older people themselves should be encouraged to work).

Another secondary theme is also emerging: that of a shift from cash benefits to tax reliefs. The most important of these is the move to abolish Family Credit, a benefit paid to top-up low wages for families in work. Mr Brown wants to replace it with a Working Families Tax Credit - in effect a tax deduction designed to achieve the same end. Much depends on the details, but a surprisingly persuasive case is now being made. The main objections to a tax allowance were that it would transfer money from mothers to fathers in two-parent households, and that it would impose an administrative burden on small companies. The

Treasury claims to have "cracked" the first problem, and the second has to be balanced against the bureaucratic complexity of Family Credit in any case. Above all, though, the psychological advantage of shifting to a culture where people feel that they stand on their own feet rather than relying on state handouts should not be underestimated. And it is underpinned by the simultaneous introduction of a minimum wage, probably at around £3.50 an hour.

A persuasive case has yet to be made out, however, for the new starting band of income tax at the rate of 10p in the pound. This is a gimmick, albeit with a symbolic value as a tax cut, which will have the perverse effect of benefiting higher-rate taxpayers more than the less well-off, because it will take a slice of their income out of the 40p-in-the-pound tax band as opposed to the 23p standard rate.

Mr Brown may well claw back this effect through higher employers' National

Insurance at the top end of the scale - indeed, he must do so. (He cannot put up employees' National Insurance because of a pledge dating from the party's hammering on the subject in the 1992 election.)

The emphasis on incentives to work, then, is promising, and the Chancellor is right to take a similarly dour view of pleas for more public spending. The "war chest" alleged by the Liberal Democrats is, rather, a hypothetical crock of gold at the end of the rainbow, not available in the here and now, and not available at all if, as seems increasingly likely, the economy is entering a recession.

There is, though, one welcome break in the puritanical clouds: Chris Smith, the Culture Secretary, has lent his support to the campaign launched by *The Independent* and the *Independent on Sunday* to extend tax relief for financial support for the Arts. The Treasury is considering a change to allocate tax relief to the giver rather than the recipient of charitable donations,

which could indeed save many of our threatened artistic institutions.

But there is an important omission in Mr Brown's thinking: building the New Jerusalem also needs a green vision, and there is an urgent need to rebalance the tax system in favour of environmental sustainability. All the Government's laudable words at the Kyoto climate summit will turn to dust if heavier taxes on energy (and lighter taxes on energy-saving goods and services) are not imposed. The "dash for gas" by electricity generators, from inefficient coal, has achieved much, but the rest will not be achieved by exhortation alone.

Budgets, however much they are foreshadowed by the spin doctors and the sloganeers, are still turning points. To govern is to choose, and many of the biggest decisions are still concentrated in a single day - decisions which define the big picture. On the evidence so far, Mr Brown will deliver a creditable Budget: three steps forward, one step back.

Post letters to Letters to the Editor and include a daytime telephone number. Fax 0171 293 2056; e-mail: letters@independent.co.uk. E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

LETTERS

Iraqi crisis

The British government is allying old, imperial patterns of thought with American physical power in order to enforce our intentions on Iraq.

In, say, 20 years' time, there may be some quite different power centres in the world: maybe a Chinese one, or a vast Islamic confederation, or a pan-African empire. Then, one of these powers may be in a position to act in the name of the United Nations and to inflict its own policies on Britain. We would deeply resent that. We would want UN representatives to bend over backwards to see our point of view and to try and build channels of trust with us.

It is not enough for the UN to use the empire mentality of any individual members as a vehicle to carry out UN intentions. A new thought process is needed, and Britain and the US are not contributing towards this. JOHN PLATT
Norwich

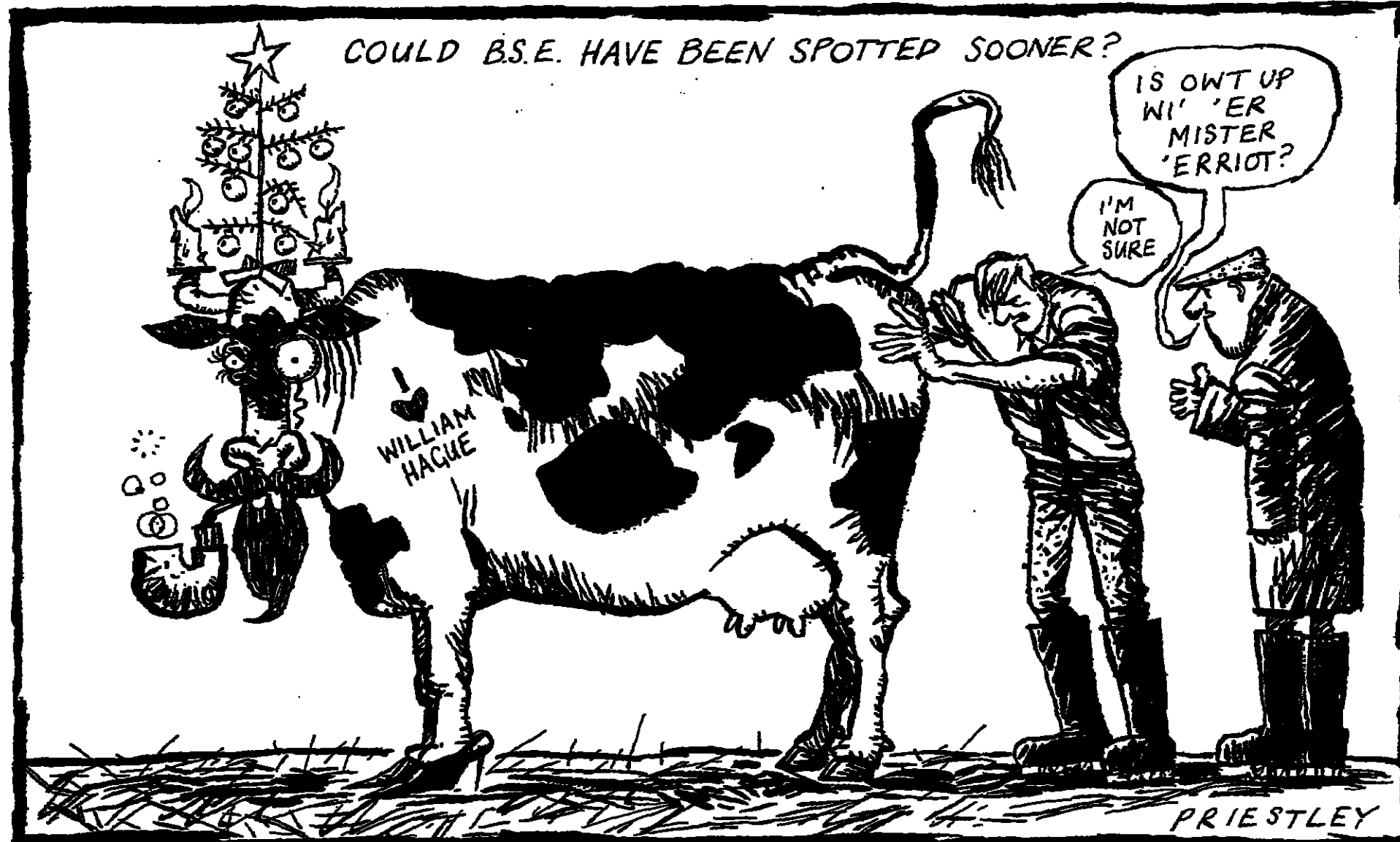
Presumably Iraq will be bombed soon. May I suggest a parallel bombing of the general population: not with conventional bombs, but with small parcels of food and basic medicines? This would cost little, but have a huge propaganda effect: bombs on the beloved dictator would be associated with welcome gifts and relief from suffering. P J WOOD
London SE3

President Clinton insists that all must obey the decisions of the United Nations. Does this mean that the blockade of Cuba will now be abandoned? ALEC HOLMES
New Malden, Surrey

Save the arts

"The Independent Save the Arts": now there's a headline (9 February) to gladden the morning! After working for 14 years in the US, I am well aware of the advantages of a fiscal system which offers tax relief as an incentive to charitable contributions.

In encouraging Gordon Brown to press for similar concessions in this country, I hope we can also remind him of the anomaly over the recovery of VAT, which encourages museums to charge for admission. In spite of Treasury opposition, he must not give up on a just cause, and those of us who support it. DUNCAN ROBINSON
Director, Fitzwilliam Museum Cambridge



Japanese pets

Your article "Japanese fads condemn pets to mass slaughter" (7 February) made very depressing reading.

Unfortunately, such appalling treatment of unwanted dogs is not uncommon in the Far East. But it is especially excusable in Japan, which is a rich country whose people often spend a great deal on acquiring their pets in the first place. In fact, many of the animals that finish up in Japan's disgusting pounds have been bought at great expense from British or American breeders.

These breeders could greatly help matters by refusing to sell dogs or puppies to Japan until they are assured of adequate safeguards for their welfare. This does not mean that Western dogs are more deserving of protection than any others, but it would draw attention to the scandalous conditions now prevailing.

It might shame the Japanese government into introducing, and enforcing, animal

protection laws to make people responsible for the proper care of animals in their charge, and to ensure humane destruction when necessary. JOAN HAGGARD
Harpenden, Hertfordshire

Sri Lanka's struggle

Peter Popham states that there was no freedom struggle in Sri Lanka and that "independence was handed to them on a plate" ("Family terror blights Prince's Sri Lanka visit", 4 February).

Attempts to establish freedom by the natives were ongoing throughout the period of British rule (1802-1948), especially marked by abortive rebellions in 1817, 1843 and 1848. During this period, many Sri Lankans lost their lives at the hands of their colonial rulers, fighting in vain against a force which had an obvious military advantage.

In the events leading up to the actual declaration of independence on 4 February 1948, there was no physical struggle per

se on the part of Sri Lankan freedom fighters. Those at the forefront of the independence movement, such as the first prime minister, D S Senanayake, opted for the path of "independence without bloodshed", having decided that the powers of speech and diplomacy were preferable to violence. THUSHAN DE SILVA
Bristol

Risk assessment

Ivan Massow, quoted in your article "A change in policy on HIV Risk" (31 January), is quite wrong about Allied Dunbar in his assertion that we are "cherry-picking" clients based on discrimination.

The job of our underwriting team is to assess risk, and decide whether to accept that risk. If a customer has a higher than normal risk of dying, for any reason, our actuarial team will have to increase the premium.

As we have come to understand the real risk of contracting Aids more precisely, we

have been able to reduce our rating on homosexuals by 60 per cent in the last three years. It may be no coincidence that the number of plans that we offer to homosexuals has been increasing steadily.

We offer a service to the entire population based only on well-established scientific risk-rating principles. Race, creed or sexual orientation *per se* do not come into it: risk, whatever the reason, does. PETER KELLY
Protection Marketing Director
Allied Dunbar Assurance plc
Swindon, Wiltshire

Dance of the oceans

Across England and Wales, the drought may appear to be over (report, 4 February; letters, 7 February), but for how long?

Oceanographers and meteorologists are uncovering evidence that our weather may be heavily influenced by a climate fluctuation known as the North Atlantic Oscillation: our very own El Niño. The NAO appears to be linked to cycles in

wind, temperature and rainfall in Europe. The late 1960s saw northerly winds and dry cold winters, followed - in the early 1990s - by westerly winds and relatively warm stormy winters. There are signs that we are now swinging back to colder winters again. This could also mean less rain.

The key to understanding these climate swings lies in the slow, stately dance of the oceans. The oceans store vast quantities of heat which is carried around the globe by an intricate network of currents linking all the major ocean basins in both hemispheres. We still comprehend little of the natural variability of this ocean conveyor belt, never mind how robust it is to human interference.

If we are to have any hope of usefully predicting future weather and climate patterns, a long-term commitment to oceanographic research would be a wise step to take. DAVID CROMWELL
Southampton Oceanography Centre
Southampton, Hampshire

Enriching lawyers

A M Robinson (letter, 6 February) fails to acknowledge the realities of civil legal aid as they occur in litigation.

The Legal Aid Board relies on the advice of the applicant's lawyer in deciding whether to fund a claim. Such advice is not independent, since the lawyer is paid for advancing the claim, regardless of its merits. The success rate is 17 per cent. So in 83 per cent of cases, the only beneficiaries are lawyers and experts.

The often blameless health service is unable to recover its legal costs, promoting what has been described in Parliament as legal aid "blackmail", whereby cases are settled for commercial considerations.

Legal aid does not secure access to justice or ensure compensation for deserving cases. Instead, it impoverishes the health service and enriches lawyers. It is hardly surprising that the main supporters of legal aid are lawyers. ANTHONY BARTON
London N1

Alias T E Lawrence

There was absolutely no reason for T E Lawrence to have lied about his enlistment ("Files reveal Great War secrets of British literary heroes", 3 February).

There is, however, a very strong possibility that Lawrence could have enlisted under a false name and date of birth, as he was under-age at that time. Anyone searching for an entry under the name T E Lawrence would have found nothing.

When Lawrence enlisted in the RAF in 1922, it was in the name of John Hume Ross, with a different date of birth, and he also enlisted in the Tank Corps under the name of T E Shaw. Lawrence used at least seven different names for various purposes throughout his life. K FERN
Tolpudde, Dorset

Spelling? Ugh!

Rather than reform English spelling to conform with pronunciation (letters, 30 January, 4 February), why not alter pronunciation to accord with spelling?

The return of the "gh" sound to English, similar to the Scottish "ch", as in loch, would simplify spelling without the need to actually change it. Words such as "plough", "slough" and "trough" would sound more like their meaning, and the difficulty the "ugh" spelling causes to foreigners would disappear. Anyone who thinks the English cannot make this sound anymore, say "ugh!" C PADLEY
Market Rasen, Lincolnshire

Driver density

Nick Austin (letter, 6 February) suggests that the UK's high rate of road deaths is due to its high population density. Belgium and the Netherlands are both much more densely populated than the UK, but while Belgium's roads are more deadly than British ones, Dutch roads are safer. The reasons for this are driver behaviour and road design, not population density. D BISHOP
Brussels

St Valentine's treacle

Soon the treacly sentiments of St Valentine's Day will sweep over us. Could we not introduce an anti-Valentines column? A whole new lexicon of nicknames might appear... RICHARD P WARNER
Warwick

And the next question for news-watchers: who will believe in the new National Libel?



MILES KINGSTON

How well do you keep up with the news? Do you think you're as well informed as the next woman? For instance, if you were reading a column in a newspaper and it suddenly challenged you to answer topical quiz questions, would you be woman or even man enough to take the challenge?

Well, here we go! Because I am issuing you that challenge! Right here and now!

And having used up my entire week's quota of exclamation marks, we go straight into the quiz, which is simplicity itself. Here are six news stories, from the last seven days. Which ones are true and which ones are false?

1. The Government privately agrees with Richard Branson that the libel laws in this country are a lottery. This leaves them with two options, either to reform the libel laws or to actually have them run properly as a lottery. They have opted for the latter rather than daring choice, and are turning the libel laws

into a real lottery to be called the National Libel, to be run by Branson himself.

The idea of the National Libel is that anyone will be able to sue anyone else for libel on a weekly basis, as long as they all put some money into a kitty, which on a nationwide basis will add up to millions of pounds. The winners will be drawn by lot in a grand ceremony. "It will make libel a lot more fun than it has been up to now," says Branson. "It will be a complete matter of chance who wins their libel suit and who loses, which is exactly the way it's always been, but from now on at least good causes will benefit as well."

2. We know that Tony Blair has forbidden his cabinet ministers to attend the World Cup unless it is part of their work, such as Jack Straw's mission to inspect security, but it now turns out that Harriet Harman intends to go, to inspect the problems of footballer's families left behind in a one-par-

ent situation, Frank Dobson is going there to monitor the health kits carried by physios. Chris Smith wishes to go there to inspect the aesthetics of stadium design. Clare Short is going there to establish which Third World teams need foreign aid - in brief, everyone in the Cabinet has an excuse for going. The only member of the Cabinet who is not going is Mo Mowlam, not because the World Cup will teach her nothing about Northern Ireland, but because football bores her. Her place is being taken by Robin Cook's partner, who will be doing some secretarial work for Mr Cook.

3. Fresh evidence has established almost beyond doubt that the famous Impressionist painter Paul Gauguin was a woman. It was impossible for women painters to attain fame and fortune in the 19th century, so Paul Gauguin, as she was christened, took on a male name and persona in the same way that George Eliot and Georges Sand did. When

the deception was in danger of being discovered, Paul Gauguin fled to the South Seas, where it was easier to practise gender deception on the natives.

4. The real reason that Arthur C. Clarke refused to accept a knighthood from Prince Charles was nothing to do with his own private life - it was in protest against the private life of Prince Charles himself. A self-confessed adulterer. Graciously, he agreed to allow his own private life to be blackened as a cover-up for his very real disapproval of Prince Charles. Meanwhile, the next planned recipient of a British knighthood, Bob Hope, hopes to accept his title from Prince Charles while entertaining US troops in the next Gulf War. He was too ill to go out and entertain the troops in the last Gulf War, the first war he has missed since the Battle of Wounded Knee. Some White House sources say that the sole reason for the resumption of Gulf War hostil-

ities would be to give Bob Hope a last chance to get back to war.

5. There is a secret controversy about whether Princess Diana's picture should be on banknotes in future, in replacement of the Queen's face. Tony Blair is very much in favour of this move, which he sees as part of his mission to give economics a softer, more appealing image, and also to cash in on Princess Diana's enduring appeal, but the Queen takes a different view. "Over my dead body," she is supposed to have said, to which Downing Street is supposed to have replied: "Well, that's OK - we can wait".

6. John Birt resigned as Director-General of the BBC six months ago in protest against the way the BBC is being run, but it was only reported on BBC TV's 24-hour news, so nobody has heard about it yet.

ANSWER The only true story is the one about Robin Cook, the two Spice Girls and the three false ginger beards.

A little less of Camelot, and a bit more of FDR



**DONALD
MACINTYRE**
STYLE AND
SUBSTANCE

Around 1986 – or in terms of Labour Party history several ice ages ago – some of those around Neil Kinnock concluded that the excitement he should generate during his first general election as leader was that of “FDR laced with Camelot”. It took ten years and another two leaders for this dream to come even within sight of being realised. The FDR element appears to have stuck through that dark decade of opposition: this week the government proves that old slogans never die when it begins its advertising campaign on a jobs programme with the same title that summed up Franklin Delano Roosevelt’s huge appeal to the American people more than half a century ago: “The New Deal”. But what about the Camelot?

The new style that Tony Blair brought to Downing Street was a real break with the past. Suddenly here was a Prime Minister who appeared to enjoy the job – in contrast to a predecessor who often looked as if he wished he were somewhere else. As the first Prime Minister since Asquith to bring up children in office, he positively enjoyed Chequers, which John Major initially had hated. The parties for designers, rock stars, actors, architects were part of that. And the polls all suggested that the British public were entirely comfortable with the change – just as they also suggested that it was remarkably forgiving of, or uninterested in, the state of presentational lapses that characterised the birth pangs of office. Against that background the Tory attacks on the trivia of ministers’ personal behaviour appeared to founder woefully. Or did it?

At the weekend Conservative Central Office announced that its private polling suggested that some of the attacks on ministers’ personal behaviour had made an impact. We shouldn’t be too starry-eyed about this. If some of the more hilarious private polling “released” by the Tories before the last general election was to be believed, Tony Blair was a smarmy git the British people would never vote for. But my guess is that these polls have nevertheless picked up something real, if scarcely tangible, a nascent – and easily correctable – discontent with the way some in the government comport themselves from time to time.

Take one example. When the proto-Blairite MP Tony Wright took his political life in his hands by suggesting that it was “indefensible” for ministers to take their spouses, partners, or whatever on foreign trips, his remarks were met with a frosty silence. Wright may not have been politically wise since he happens to be a parliamentary aide to Lord Irvine who has been among those criticised. But he was making a point that challenges the standard – and factually correct – defence that the present government is ligging and par-

tying less than the previous one. (That defence was reinforced yesterday by fresh figures demonstrating that money spent on hospitality, government cars, and overseas travel is running at somewhat less than the previous government’s). Wright’s subtext was that a reforming government might consider revising some of the rules rather than merely conforming to them. This doesn’t mean that the Prime Minister should be saving money by driving round in the modern equivalent of a Ford Prefect, as Clement Attlee did, with his wife at the wheel. Nor does it mean that the rules – new or old – shouldn’t be applied with some flexibility. Nor even that John Prescott should have to part with his beloved Jaguar or that an art-loving Lord Chancellor shouldn’t be allowed to bring some 19th century Scottish painting up from the vaults to put on his walls. To create a regime so monolithic that every trait that makes a politician human and individual – and therefore rather less like a politician – is to make them less good as politicians. And in the matter of partner-travel, both the Prime Minister – who would have been wholly perverse not to take his wife to the White House last week – and the Foreign Secretary are special cases. If you have a travel schedule as remorseless as Robin Cook’s, it seems reasonable for the sake of his personal sanity, that he should be able to take Ms Gaynor Regan along from time to time. In the other cases – and there have been eight of them since the election – Wright seems to have a rather valid point.

The answer to all this will be that it is simply too trivial to think about, and that the Tories, stunned by the government’s continued success, have nothing else to talk about. There is something in that. But style and image matter. If it didn’t there wouldn’t have been so many hours, both before and since the election spent by New Labour on trying to get them right. The problem is partly the one lucidly defined by the Prime Minister himself – that this is a government in the “post-euphoria, pre-delivery” stage. What will, in the end, excite the British electorate is not how many times Liam and Noel Gallagher get asked to Downing Street, or what costumes Cherie Booth wears in Washington but what the “third way”, between old Labour statism and new free market Toryism, can deliver over this parliament. You don’t have to look further than yesterday for two modest examples of the potential. A government, perhaps a little too slowly, but determinedly nevertheless, trying to recreate a grown up local government that gets more freedom in return for showing more responsibility. And a government prepared to take seriously research which suggests more roads lead to fewer, not more jobs.

Below the surface real problems are being wrestled with, real policies – including the administration-defining welfare to work programme – to be put to the test. Blairite glamour reached its zenith last week in Washington in the unusual circumstances of a British Prime Minister investing, in the national interest, in a US President now likely to survive his troubles and able to return some favours. But in the months ahead doing will matter more than saying. The decision to spurn ministerial ambitions for World Cup tickets is a sign that Blair understands the need to limit the trappings of power, which he warned his ministers after May 1 were not their purpose in life. For the time being, a little more FDR, a little less Camelot.

The real mystery of the Sphinx: why do falsehoods drive out truth?



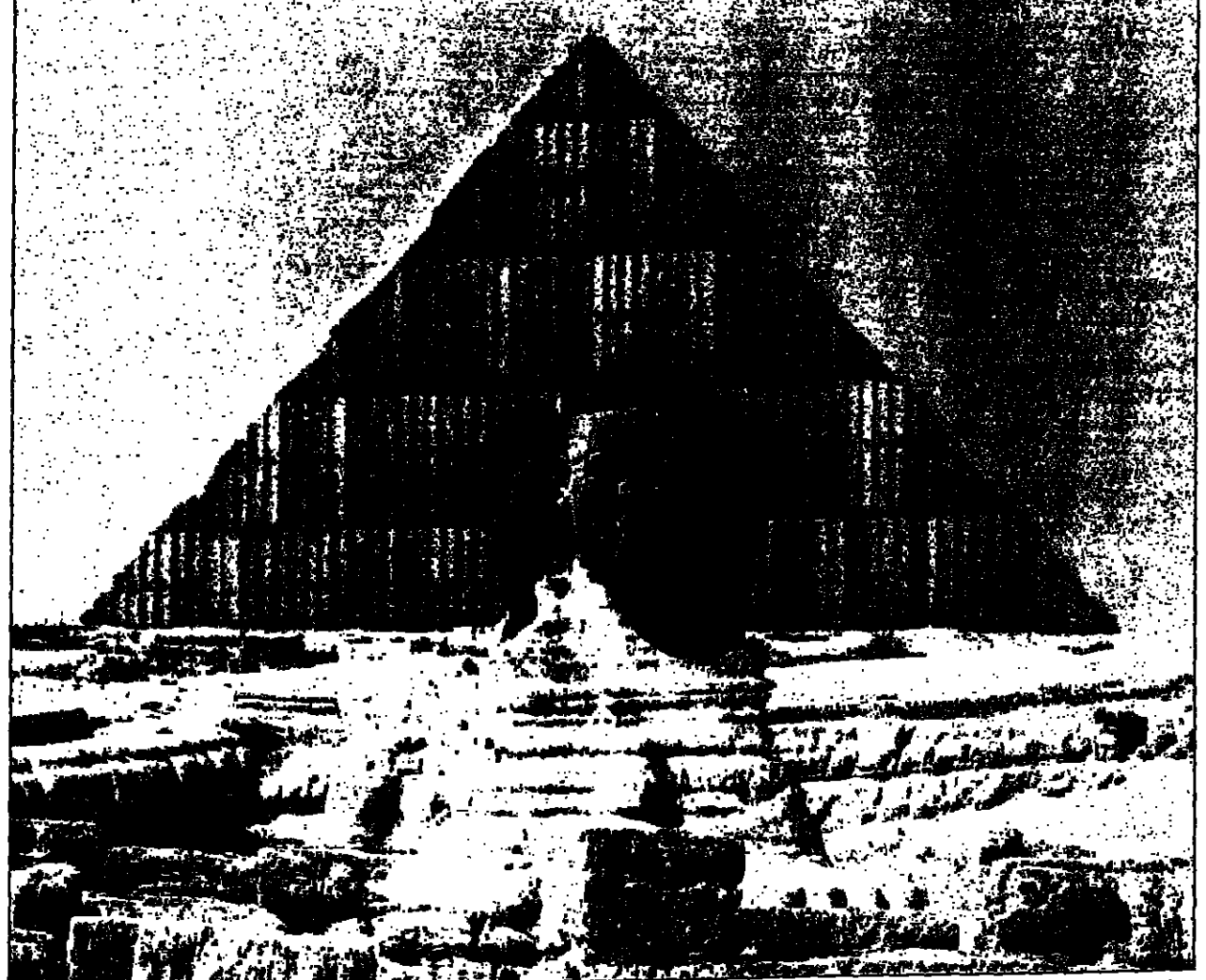
**BOYD
TONKIN**
PYRAMID
PUBLISHING

Exactly 200 years ago, Napoleon invaded Egypt. He took with him an Olympic-sized squad of scholars and artists that included 21 mathematicians, eight draughtsmen and 10 “men of letters”. What did the men of letters do? They probably wrote cult best-sellers.

Our bookshops are bulging again with pyramid-shaped displays designed to the shift the newest wave of speculative ancient history. Fanciful theories about the Pharaohs, and the baffling monuments they built, have excited cranks and mystics for centuries. That they also intrigued America’s hard-headed founding fathers (who knew about them via the Freemasons) you can tell from a glance at the symbols on any US dollar bill. And the fascination that occult Egyptology holds for publishers today has everything to do with the timeless allure of the folding stool.

Abetted by huge serial deals with the mid-market tabloids, the Mystic Meg tendency has come back with a vengeance since 1994, when the Belgian engineer Robert Bauval published *The Orion Mystery*. He claimed that the ground-plan of the pyramids’ site at Giza outside Cairo maps the position of the Constellation of Orion not in 2500BC – the accepted date for the monuments – but much earlier, in 10,450BC. A year later, Graham Hancock’s *Fingerprints of the Gods* updated the Atlantis myth with its argument that civilised survivors from the catastrophic end of the last Ice Age, 12,000 years ago, had passed their wisdom on to the cultures of the Near East and Central America.

It sold half a million copies to jump pre-millennial book-buyers with doomy threats – or were they promises? – of another climatic cataclysm just around the corner. (Clear your diaries for 5 May 2000). And so the stream rolls on, with Hancock and Bauval teaming up into the Morecombe and Wise of the Giza plateau and issuing their own newsletter to fans. Meanwhile, the newcomer Andrew Collins proposes that the neolithic engineers of Egypt



What a pile of books: junk publishing leads to a devaluation of the currency of knowledge

Kevin Bayliss

hailed from Kurdistan (Hancock favours Antarctica) and could levitate vast blocks of granite with a lost form of sonic technology activated by trumpets. The phrase “loony tunes” springs to mind.

Surely this is all just harmless fun, a tangle of ripping yarns to keep cerebrally-challenged readers off the streets? Alas, the pyramid buffs take themselves very seriously and spin paranoid fantasies about their persecution by the academic establishment (and even – in one author’s case – the CIA). So let’s contest the best shot in their locker: the so-called rain-erosion of the Sphinx. Hancock employed this trump card to Jeremy Paxman in a *Newsnight* discussion of the Atlantis myth last month. Since Paxo let it pass without a murmur, here’s a briefing for him.

Hancock, Collins and their chums believe that the Sphinx at Giza shows signs of weathering by rainfall, not by wind-blown sand. As the Nile delta has not had a wet climate since around 7,000BC, they take this as clinching proof that Egyptian culture arose many millennia before the orthodox dates, and so must have come from some remote source. For their guru, the maverick scholar John Anthony West, firm proof of rain erosion “would overthrow all accepted chronologies of the history of civilisation”.

The trouble is that geologists

have challenged the rain-erosion theory on all counts in the learned journals. Scientists can explain the Sphinx’s weather-worn look perfectly well within the conventional time-frame. Yet the entire *Fantasy Pyramid* genre brandishes it as (literally) rock-solid scientific evidence of their position, the cornerstone of their empire. It is nothing of the sort.

So why don’t publishers take their authors to task and insist on higher standards than these chaotic, waffling works ever supply? After all, this crackpot crew flies under the flags of the most respected houses in the land. Viking Penguin bankrolls Hancock, and Hodder funds Andrew Collins. Random House has just re-issued Robert Temple’s *The Sirius Mystery*, which purports to connect ancient Egyptian culture with visiting aliens from the Sirius star system. Temple believes that “the pyramids and the Sphinx were probably built by the extraterrestrials themselves”.

This week, Macmillan launches Graham Phillips’s *Act of God*: a bid to link the plagues of Egypt and the Exodus of the Israelites with the volcanic eruption on the Aegean island of Thera around 1,360BC. In this company, Phillips’s reasoning sounds positively sane (no spaceships, no Atlanteans, no levitation), but his book still amounts to little more than a calculated leap in the dark.

It’s clear that Britain’s once-reputable publishers no longer care two grains of desert sand about the truth-value of the “history” books they finance. They have sold whatever authority their imprints might once have claimed for a cargo of flyblown nonsense that late-Victorian charlatans such as Madame Blavatsky were already peddling at the close of the last century. The only rule that editors now bother to apply is *caveat emptor*.

In fact, they have even plunged beneath the shoulder-shrugging relativism of saying, “You pays yer money and you takes yer choice”. The loony tunes now win the fat advances, the lavish promotion budgets and the first-class place on the hype express. In contrast, most works rooted in responsible research take a back seat, and a tiny cheque.

The chance to publish detailed, footnoted non-fiction is what economists would call a “positional good”. If I have it, you don’t. As with a seat for the World Cup Final or a Georgian rectory in Somerset, only a limited number of people can ever enjoy this privilege. Publishers today take on very little history anyway, even though mac-

stros such as Simon Schama, Orlando Figes and Norman Davies prove that the proper stuff can still sell by the cartload. Now these rare and precious slots will often be filled with hypothetical hogwash. Every farrago of hippy-dippy irrationality on the shelves means that at least one truthful picture of the past will never find an audience.

Education, ministers insist, will make the difference between a thriving modern nation and a dumbed-down backwater. The book trade has already given its own two-fingered answer to that by putting its resources behind every superstitious New Age bandwagon that rolls along. The Government should take note of that the next time the business bleats about its sacred cultural mission and the tax-breaks it deserves.

This April, British publishers will wave their most pompous banners to celebrate World Book Day on a grand scale. Expect weeks of uplifting guff about the role of books in spreading enlightenment, especially to children. Then check out the *flaky fairy-tales* that pass for ancient history on many of their lists. No wonder many kids prefer the honest escapism of computer games.

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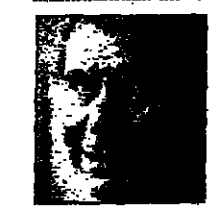


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The US and Britain are giving Saddam just what he wants



**ANDREAS
WHITTAM
SMITH**
DICTATORS
NEED ENEMIES

My guess is that Saddam Hussein is more relaxed than Bill Clinton and Tony Blair at this moment. For the Iraqi dictator can scarcely suffer in a show-down with the United States and the United Kingdom. Sure, bombing raids will cause death and destruction, but Saddam does not see that as defeat. The President and Prime Minister, however, must know that their threats are empty or, if carried out, likely to be ineffective. I think they are on the brink of losing a giant game of bluff.

The Allied objective is to prevent Iraq developing weapons of mass destruction and threatening its neighbours. Probably the United Nations’ inspectors have removed Iraq’s

nuclear capability, so the focus is almost exclusively on chemical and biological weapons. Neither of the only two effective methods of achieving this aim is available. Iraq will not give the inspectors the access and freedom of movement they require to finish their work. Nor, persuasion having failed, can the United States, on its own, or with its allies, put ground forces into Iraq to carry out the inspectors’ work by force.

One reason why ground forces cannot be deployed on the scale required is that Saudi Arabia will not allow its bases, which are essential to such a policy, to be used. The Saudis fear that in defeat Iraq might split into a Kurdish north, a Sunni Muslim centre and a Shia Muslim south. They cannot tolerate such an outcome because a hostile Iran would support the Shia Muslim state on Saudi’s northern frontier.

A second reason why there will be no second Gulf War is that neither the British nor the American publics are prepared to accept casualties. Mr Blair and President Clinton know this perfectly well. Their high standing would not survive body bags and grieving relatives. What would the deaths in action be for? To prevent one Middle East dictator conducting vile attacks on neighbour-

ing dictators? It is not a convincing reason.

The US with Britain’s help, therefore, is forced to rely upon air power alone. Unless Saddam backs down, the attempt will be made to destroy facilities for making or storing biological and chemical weapons, to put command and control centres out of action and to eliminate the special

units of the Republican Guards.

Never mind that it has been known since the 1920s, and confirmed during the Second World War, that air power alone cannot win wars. Even Sir Peter de la Billière, who commanded Britain’s forces in the Gulf war, wrote on Friday in *The Daily Telegraph* that “there are few, if any, examples of air power alone succeeding in defeating and bringing to heel such a determined and resolute enemy as Saddam”.

In this particular case, the American planners simply do not know where existing chemical and biological weapons are stored. These munitions are small and easily concealed.

Western intelligence is said to lack agents in Iraq. On the other hand, the location of some of the manufacturing plants that make the weapons is known, thanks to the work of the inspectors. But dare we bomb the plants? A retired US airforce colonel says that the only way to eliminate a chemical or biological facility is to “nuke it”. Tam Dalyell MP

asks “what happens when a bomb hits anthrax installations. What happens to the spores?” Good questions.

It is not just that air power cannot do the job, but that the very attempt would bring us substantial disadvantages. Saddam’s most likely response to air attacks would be to evict the UN weapons inspectors. This is France’s objection. The French say that it is unlikely that Iraq would welcome back the inspectors after a war. A Saudi daily newspaper has underscored another disadvantage – “the danger is that a US-led military action could give the Iraqi leader the kind of victory he is looking for. Let one bomb miss

its target and kill civilians and the regime will have a propaganda coup with television pictures of the victims.”

So how have we got into this? American policy has been driven by the pride of a super-power, which cannot allow itself to be thwarted. It has not been rational calculation but an instinctive reaction: “we are the super-power, we will get our

way.” This country is alongside because Britain always is alongside. It has been an invariable feature of British foreign policy since the Second World War except for one occasion – Suez. When Britain and France invaded Egypt to protect the Suez Canal in 1957, the United States disapproved of what it saw as a colonial adventure. I don’t object to us being a faithful ally as long as we get sufficient benefit. In Northern Ireland, for instance, President Clinton could play a useful role behind the scenes.

Is there a better way of dealing with Saddam Hussein? Yes. Policy should start from the well understood phenomenon

that dictators always require external enemies in order to present themselves as the saviours of their people. Once they can do that, they can impose all sorts of privations and restrictions. For Hitler the threats were the Bolsheviks and an international Jewish conspiracy. In the Balkans the fear has been that one ethnic group will swamp another. President Saddam couldn’t wait for two better enemies than the United States and Britain. His defiance of us brings him admiration.

Western thinking thus has to move in the opposite direction. The United Nations’ inspectors have substantially emasculated Saddam’s ability to wage war. We should start to bring their work to an end and progressively lift sanctions.

As Iraq began to export oil again, thus gaining the resources for economic recovery, the incomes of ordinary Iraqis would begin to rise. Initially, President Saddam would be praised for his “victory”. But then the absence of an external enemy on the scale of the world’s super power would begin to tell. Ordinary Iraqis would become more self-confident, the dictator’s rule more irksome. Conditions for the overthrow of Saddam would at last be favourable. That, finally, is all we can hope to achieve. It is much more than bombing raids can bring us.

Carl Wilson

Carl Dean Wilson, singer, guitarist and songwriter, born Hawthorne, California 21 December 1944; married 1966 Annie Hinch (two sons; marriage dissolved 1978), 1987 Gina Martin; died Los Angeles 6 February 1998.

Sun, sand, surfing, girls, it didn't matter in which order, the Beach Boys sang about it. More than any other group in popular music, the California quintet, of which Carl Wilson was a founder member, became associated with the locale they came from and sold the blend of consumerism and hedonism it represented to the world. Their irresistible Sixties hits like "Surferin' USA", "I Get Around", "California Girls", and "Good Vibrations" still crop up in movies and commercials and instantly spell Los Angeles, the home of "Fun, Fun, Fun".

Yet the band's career was never as easy and straightforward as its music. Carl's older brother Brian Wilson, very much the tortured genius and creative force behind the classic recordings, suffers to this day with mental illness while Dennis Wilson, the drumming middle brother, drowned in 1983. From the mid-Sixties, when Brian quit touring, Carl, the baby brother and most capable musician, took control of live performances and held the group together. When Brian also withdrew from studio dates in the Seventies, Carl kept the ball rolling during sessions.

On the surface, the Wilson brothers were as American as apple pie. Murry and Audree, their parents, had settled in Hawthorne, a nice middle-class suburb of Los Angeles. Carl, born in 1944, was the youngest of three brothers and soon started singing with Brian and Dennis. Their mother would sometimes join in.

Carl had not even turned 15 when he and his brothers hooked up with their cousin Mike Love and neighbour Al Jardine to form Carl and the Passions and play Four Freshmen. Chuck Berry and Everly Brothers songs in their garage while their parents were away.

Carl later recalled:

I guess our only ambition in those days was to form a group. None of us knew exactly what we were doing back then. Dennis was the best surfer and he was the one who really had the idea of the band. Brian had written a lot of songs and I had been fooling around with a guitar for a long

time, so eventually we got together and began doing a few dates. We were just five dummies starting out. We were totally innocent and lucked out.

At first, the quintet couldn't even settle on a name, becoming in turn the Pendletons, Kenny and the Cadets and, most famously, the Beach Boys. Carl admitted in interviews.

When we decided to call ourselves the Beach Boys, we were thinking of water, of the ocean. Water is such a beautiful thing. I think it may have been different for us all along the line if we had not been called the Beach Boys. We came on very big in the surf days. It was just beginning to become a popular sport and our songs came right in as a vehicle to its rising general appeal.

Dennis made a list of surfing expressions and geographical locations and suggested they write something in tune with the surf craze. Brian and Mike came up with "Surferin'". Murry, their father, saw dollar signs and appointed himself manager. In 1961, "Surferin'" was released on the small Candix label and charted nationally. The following year, Capitol Records offered Murry and the boys a major deal and the Beach Boys signed on the dotted line, scoring an incredible run of 20 hits over the next four years: "Surferin' Safari", "Surferin' USA" and "Surfer Girl" were soon followed by "Fun, Fun, Fun", "I Get Around", "Help Me Rhonda", "California Girls", "Barbara Ann", "Sloop John B" and "Wouldn't It Be Nice".

With their striped red and white college shirts and boy-next-door grins, the Beach Boys captured the hearts of America. They posed with surfboards, with hot rods, on yachts and their records sold millions. But all was not well. Murry, a frustrated musician/performer himself, became a kind of tyrannical dictator, pushing his charges to the limit. Brian, deaf in one ear after a childhood accident, felt the pressure of carrying the band on his shoulders the most. Too many concerts, too many singles, too many B-sides and album tracks were needed to feed the business monster created by their father and Capitol Records.

"There was too much tension in the family. It was difficult separating the family thing from the group thing," revealed Carl a few years later.

It was a blow to us when Brian decided not to tour with the group any longer. But he needed time to work on his writing and the tour schedules were heavy. I was very close to Brian. I was with him the day he couldn't continue any longer.



Boy-next-door grins: the Beach Boys, from left - Carl Wilson, Brian Wilson, Al Jardine, Dennis Wilson and Mike Love

A lookalike, Glen Campbell, was briefly drafted to replace Brian for live appearances. Brian had also become obsessed with the Beatles, whom he rightly saw as his only rivals. In May 1966, with the symphonic *Pet Sounds*, he hoped to top the Fab Four's achievements but they came back with *Revolver* and then *Sgt Pepper's Lonely Hearts Club Band*. Brian tried to go one better with the mythical *Smile* but most of the finished tracks eventually came out as *Smiley Smile*.

"I suppose *Pet Sounds* was our *Sgt Pepper*," said Carl. "After that, *Smiley Smile* was nothing more than a wild freak-out, and *Wild Honey* a trip in simplicity. Of all the many things that we've ever recorded, 'Good Vibrations' was one of the simplest." At the time in 1966, this neo-symphonic recording took an unprecedented 90 hours and cost \$50,000. But the pinnacle of Brian Wilson's sonic achievements reached No 1 on both sides of the Atlantic and is often voted

one of the best singles ever made.

Brian Wilson had collapsed into a mind-numbing paranoia, fuelled by drugs and alcohol, but managed to contribute to albums occasionally. The vocalists Bruce Johnston had now joined full-time and the Beach Boys soldiered on: "Heroes and Villains", "Do It Again" and "Breakaway" kept them in the British Top 10 but their entourage was pulling them in different directions. Mike Love had become a devotee of the Maharishi Mahesh Yogi while Dennis was hanging out with Charles Manson, who even co-wrote a few songs with him. Carl, a conscientious objector, was fighting the US authorities, who wanted to send him to Vietnam.

He took over the running of the band, singing lead on their cover of Phil Spector's "I Can Hear Music". In 1970, the Beach Boys formed their own Brother label and released *Sunflower* and *Surf's Up* which showed their ecological concerns, way ahead of the times. Recruiting extra members like

Ricky Fataar (later of the Rutles) and Blondie Chaplin, the group kept touring. After 1972's nostalgic *Carl and the Passions* and 1973's disastrous *Holland*, the *Endless Summer* compilation put the Beach Boys back at the top of the American charts but also condemned them to the nostalgia circuit, though their hit-laden set often upstaged other artists on the same bill (Elton John in particular suffered at Wembley Stadium in 1975).

In 1976, Carl and various associates appointed a therapist, Eugene E. Landy, to look after Brian, who appeared on *15 Big Ones*. Landy's controversial treatment achieved results but later the family disapproved of his financial dealings (he tried to gain 25 per cent of Brian's future royalties) and sacked him in 1980. Subsequent Beach Boys albums and singles only fully worked and Carl followed Dennis and Brian into cocaine and alcohol dependency.

Adrian Baker (later to have a major hit with "Classic") even replaced Carl for a couple of years while he released a cou-

ple of unsuccessful solo albums (*Carl Wilson and Youngblood*) at the beginning of the Eighties. The Beach Boys, the group that once symbolised the American dream had become a nightmare, a sad parody of its former self, a franchise to be exploited by whoever was on stage.

Yet, even after Dennis drowned in December 1983, the band somehow carried on. "The idea of disbanding never came up really. The Beach Boys are my family. I love them all," declared Carl. During the rest of the Eighties, they appeared at Live Aid, collaborated with Frankie Valli & the Four Seasons, with Roger McGuinn of the Byrds, and, more unlikely, the Culture Club producer Steve Levine and the novelty rap act the Fat Boys (their joint remake of the Surfaris' "Wipe Out" was in the charts in 1987).

In 1988, Brian Wilson finally released a solo album and the Beach Boys were inducted into the Rock 'n' Roll Hall of Fame. They even returned to the top of the US singles charts with the languid "Kokomo", which was

heavily featured in the 1988 film *Cocktail* (starring Tom Cruise). But the feud started again with Mike Love's claiming he had co-written many of Brian's songs. Still the group carried on touring (recording an ill-advised collaboration - "Fun, Fun, Fun" - with Status Quo in 1996) until the end of 1997 when Carl was treated for lung cancer.

Equally proficient on Fender Stratocaster, Gibson Les Paul or 12-string Rickenbacker, Carl Wilson could easily copy the staccato guitar style of Chuck Berry and especially the surf-guitar hero Dick Dale, and recreate on stage the catchy licks and snappy solos which had contributed to the Beach Boys' early success 35 years ago.

Because a veritable coterie of session musicians (Glen Campbell, the late Tommy Tedesco) appeared on their backing tracks, Carl often didn't receive the credit he deserved. Vocally, he was easily the equal of Brian, as demonstrated in the exhaustive four-CD box-set, *The Pet Sounds Sessions*, released recently.

- Pierre Perrone

The Rev D. G. Merfyn Jones

Dafydd Gwilym Merfyn Jones, minister of the church, missionary and writer; born Llan Ffestiniog, Merionethshire 4 January 1914; married (two sons, one daughter); died Aberystwyth, Dyfed 2 February 1998.

D. G. Merfyn Jones made a lasting contribution as a missionary to the Indian subcontinent. The son of a Welsh Presbyterian minister, he served his denomination well for 57 years - remaining as "able, keen and refreshing" a minister as when first so described on arriving in India.

Ordained in 1941, Jones arrived in the Sylhet region (which became part of East Pakistan after independence, and is now in Bangladesh) and within six months he was in charge of the missionary station in Shaistaganj, a community which had been showered with gifts by his predecessor, a kind-hearted lady who had spilt the local Cohorog tribe. He had to exert discipline and, when the gifts ceased, many reverted to Islam. They had been "rice Christians" or "disciples of the loaves".

He saw a great deal of sectarian and religious conflict, Moslems and Hindus murdering each other on the streets of Sylhet, and during the Sylhet flood in 1946 he had to flee for safety in the middle of the night on a makeshift raft made of banana wood. Jones travelled the wild terrain of the Hachchek hills, establishing three new churches among the Riang tribe.

His lasting contribution was as a translator. A first-class linguist, he had a firm grasp of many languages - Khasi, Hindi, Bengali, not forgetting English and Welsh - and in 1955 he and his wife Beryl decided to learn a new language, Zeme Naga. He formed a team under his chairmanship to translate for the first time portions of the New Testament into Zeme Naga. He translated two of the Gospels (Luke and John, as well as much of Matthew) and edited a new hymnbook.

He and his wife and son Arfon travelled extensively on foot through the Barail mountains, from their base in Haf-long, visiting villages where the Zeme Naga, Thado and Hmar languages were spoken.

They returned to Wales in 1960, and for the next 38 years he ministered, like his father before him, in the Conwy valley, then at Trawsfynydd and Bryn-crug in Merionethshire; he served from Swansea as travelling secretary for the Leprosy Mission before returning to Towyn in Merionethshire.

In this period he wrote seven novels in Welsh, all based on his missionary work. He won prizes galore for his Welsh poetry, and wrote a fine book in Welsh on the missionary activities of the Welsh Presbyterians in Sylhet-Cachur since the mid-19th century, *Poppy Peth* ("The Hot Bakehouse", 1990). Merfyn Jones was not afraid of expressing his own opinions, and his considerable experience as a missionary is evident.

- D. Ben Rees

Sir Anthony Glyn Bt

Geoffrey Leo Simon Davson, writer; born London 13 March 1922; succeeded 1937 as second Bt; assumed by deed poll 1957 the surname Glyn and the additional forename Anthony; married 1946 Susan Rhys Williams (one daughter, and one daughter deceased); died Villeneuve-Loubet, France 20 January 1998.

Anthony Glyn was a writer of great charm and brilliance. Writing was in his blood. He was born Geoffrey Davson. But his maternal grandmother was Elinor Glyn, and it was under the pen-name of Anthony Glyn that he published his first nov-

el in 1953. He subsequently took the name by deed poll.

Born in 1922, he was educated at Eton, where he founded the Eton Literary Society. Commissioned into the Welsh Guards in 1941, he became an intelligence officer and was a year in the field after D-Day, from the Arromanches beaches to the Rhine crossings. When his own unit was not the spearhead of the advance, he would be sent ahead in a scout car to get news of the battle in front and report back. This could be hazardous. On one occasion he was sent into a town to "go and see whether the Sappers have been in yet to clear mines and booby-traps". "How do I do

that, Sir?" "Just drive down the main street and then round and round the town and see if you get blown up."

After demobilisation he joined the family firm in the West Indies where his father, Sir Edward Davson, whom he succeeded as second Baronet in 1937, had built up interests in sugar, cattle, and timber. But he wanted to write. His first novel, *Romanza*, published in 1953, was followed the next year by a second, *The Jungle of Eden*, and, in 1955, by a biography of his grandmother, Elinor Glyn. This book, and others, was written in the Jane Austen village of Chawton, where the family owned a thatched cottage.

His daughter Caroline, who died of heart trouble in Australia in 1981 and was herself a novelist of note, was brought up in the village. His younger daughter became a barrister.

In 1946 Glyn had married Susan, daughter of Sir Rhys Rhys Williams Bt. They were a devoted couple, and when one day he announced that he was going to become a Bohemian and throw away his suits she took it in good part. They moved to Paris and acquired second and third homes in Spain and Austria, finally, in the 1980s, retiring to the South of France.

A prolific author, Anthony Glyn combined the qualities of humour and sadness. His 1969

novel *The Dragon Variation* won him fame in the chess world; equally appreciated were *The Ram in the Thicket* (1957) and *The Terminal* (1965). In 1985 he wrote *The Companion Guide to Paris*. In his enchanting guide *The Seine*, 19 years earlier, he mentions so many different cheeses that the reader of the book for the *Oxford English Dictionary* had to give up recording them all.

Glyn's interests ranged widely into mountaineering, skiing, and music. Once he composed a spoof account of the discovery of "Wagner's last opera", *Der Nacht Morgen* ("The Morning After"). Some people were taken in, by it and as a result the

Musical Times asked him to review an entire Wagner season. He was also interested in making tapestries, and was a considerable linguist, being fluent in English, French, German and Spanish, with passable Italian, and a smattering of Russian.

Imagination was, for him, "truer than reality". He had studied Existentialism, but preferred Heidegger to Sartre, regretting Existentialism's descent into politics. He would remark, "Are you an authentic Dasein?" He himself was a "free spirit", though not in the bad sense of being amoral or regarding all conventional morality as unreasonably trammelling. Indeed he never gave up his religion and



Glyn: a 'free spirit'

died listening to Mozart's Great Mass in C Minor.

He was buried at Pere Lachaise cemetery, Paris, two weeks ago, considerably nearer to the chapel than Oscar Wilde.

- G. Chowdhury-Best

BIRTHS, MARRIAGES & DEATHS

DEATHS

ALLAN L. Cdr J.R. RDR RNR, Jimmy, passed away suddenly and peacefully on Thursday 5 February 1998 at Ipswich Hospital. Late of Kirtan, Suffolk. Beloved husband of Margaret. Father of Michael, Robert and the late Nigel, grandfather of Simon, Lauren, Jessica and James. Funeral service at the United Reformed Church, Fellingstone, on Saturday 21 February at 10.15am followed by private cremation. No flowers by request. Donations made payable to Royal British Legion Poppy Fund, Fellingstone, may be sent to Gordon Rodwell Funeral Director, 79 St Andrews Road, Fellingstone, Suffolk.

HOME-RIGGS John, died peacefully at St John's Hospice on 6 February 1998, aged 75 years. Much-loved father of Jennifer Bute, Frances and Anne. All his friends please come and rejoice for his life. Family flowers only, but donations if desired made payable to the RSPCA Marlesham Branch or the Cats Protection League c/o Tony Brown Funeral Service, Saxmundham, Suffolk.

Birthdays

Mr Larry Adler, mouth organist, 84; Mr Robert Alston, High Commissioner to New Zealand, 60; Mr Michael Apted, film director, 57; Field Marshal Sir Nigel Bagnall, former Chief of the General Staff, 71; Mr Peter Benson, former company chairman, 81; Sir Michael Bishop, chairman, British Midland plc, 56; Miss Olwyn Bowey, landscape and portrait painter, 62; Dr Alexander Comfort, physician, poet and novelist, 78; Miss Roberta Flack, singer, 60; Mr James Alexander Gordon, radio announcer and presenter, 62; Professor John Heslop-Harrison, botanist, 78; Field Marshal Lord Milne, 89; Mr Greg Norman, golfer, 43; Lord Orr-Ewing, former MP, 86; Mr Nicholas Owen, television presenter and correspondent, 51; Gp Capt Sir Gordon Pirie, former Mayor of Westminster, 79; Miss Leontyne Price, soprano, 71; Sir Idris Pugh, former chairman, Chartered Trust, 85; Sir Christopher Rose, a Lord Justice of Appeal, 61; Mr Mark Spitz, swimmer, 48; Mr Robert Wagner, actor, 68.

Anniversaries

Births: Charles Lamb, essayist and poet, 1775; Howard Spring, novelist, 1889; Boris Leonidovich Pasternak, novelist, 1890; Jimmy (James Francis) "Schnozzola" Durante, comedian, 1893; William Tilden, tennis champion, 1893; Maurice Harold Macmillan, first Earl of Stockton, statesman and publisher, 1894; Bertolt Brecht (Eugen Bernhard Friedrich), playwright and poet, 1898; Walter Houser Brattain, physicist, an inventor of the transis-

tor, 1902; Lon Chaney Jr (Creighton Chaney), actor, 1906; Joyce Irene Grenfell, actress, writer and entertainer, 1910; Deaths: Henry Stuart, Lord Darnley, consort of Mary, Queen of Scots, murdered 1567; Alexander Sergeyevich Pushkin, author, 1837; Edgar Richard Horatio Wallace, thriller writer, 1932. On this day: Queen Victoria married Prince Albert of Saxe-Coburg-Gotha, 1840; Upper and Lower Canada were united, 1841; Offenbach's opera *The Tales of Hoffman* was first performed, Paris, 1881; Lord Beaverbrook was appointed as minister in charge of propaganda, 1918; New Delhi was inaugurated as capital of India, 1931; "Pay As You Earn" income tax was introduced, 1944; peace treaties were signed in Paris - the signatories being the Soviet Union, Italy, Yugoslavia, Greece, France, Romania, Bulgaria, Hungary and Finland, 1947. Today is the Feast Day of St Austerebra, St Scholastica, St Sonrisa, St Truwin and St William of Maleval.

Lectures

Tate Gallery: Colin Cruise, "Pro-Raphaelite Ideas of Beauty", 1pm. British Museum: Michael Silk, "Why Dance? The tragic chorus and the meaning of tragedy", 1.15pm.

ROYAL ENGAGEMENTS

The Royal Wedding: The Queen and Prince Charles will be married at Westminster Abbey on Saturday 9 June 1998. The Queen's 60th birthday will be celebrated on Saturday 14 June 1998. The Queen's 60th birthday will be celebrated on Saturday 14 June 1998. The Queen's 60th birthday will be celebrated on Saturday 14 June 1998.

LAW REPORT: 10 FEBRUARY 1998

Policy on compelled evidence upheld on appeal

The policy of the Secretary of State for Trade and Industry to use, in proceedings for the disqualification of company directors, evidence obtained under compulsion pursuant to section 434 of the Companies Act 1985, was not irrational, unreasonable or inconsistent.

Regina v Secretary of State for Trade and Industry, ex parte McCormick (Court of Appeal (Lord Justice Morritt, Lord Justice Waller and Sir Christopher Staughton) 5 February 1998)

The Court of Appeal dismissed the appeal of David Austin McCormick against the dismissal by Rimer J of his application for judicial review of the decision of the Secretary of State for Trade and Industry to rely on transcripts of evidence given by him under compulsion of law to inspectors appointed

under sections 432 and 433 of the Companies Act 1985 (Law Report, 15 January 1998).

The appellant had been a director of Atlantic Computers plc and British and Commonwealth Holdings plc, which were investigated under the 1985 Act. During the investigations the appellant was obliged, by virtue of section 434 of the Act, to give oral evidence to the inspectors. Following the inspectors' report, the Secretary of State instituted proceedings under the Company Directors Disqualification Act 1986 against the appellant, on the ground that his conduct in relation to all three companies rendered him unfit to be concerned in the management of a company. The appellant sought judicial review of her decision to rely, in the disqualification proceedings, on transcripts of his evidence.

Matthew Collings (Peters & Peters) for the appellant; A.W.H. Charles and James Endle (Treasury Solicitor) for the Secretary of State.

Lord Justice Morritt said that the grounds for the application for judicial review stemmed from the decision of the European Court of Human Rights in *Saunders v United Kingdom* [1997] BCC 872 that the use, in criminal proceedings, of compelled evidence given to inspectors under section 434 of the Act infringed article 6.1 of the European Convention on Human Rights. In consequence of and since that decision, the Secretary of State had formed and applied a policy of not using against the accused in criminal proceedings transcripts of compelled evidence given by him to inspectors, whether before or after he was charged.

It was the appellant's con-

tention that it was irrational, unreasonable, inconsistent and contrary to the requirements of good public administration not to apply to proceedings for disqualification the same policy as was applied in the case of criminal charges, so as to abstain from using compelled evidence.

He argued that the application for a disqualification order involved a "criminal charge" within the meaning of article 6.1 of the Convention. It was established by the jurisprudence of the European Court of Human Rights that proceedings classified by domestic law as criminal must be treated as criminal for the purposes of article 6.1. If they were not so classified the question would depend upon the nature and severity of the penalty to which those who committed the relevant act were liable.

A person subject to a dis-

qualification order was not prevented from carrying on any commercial activity in his own name (save those of a receiver, liquidator or company promoter, etc.). Its effect was to remove the privilege of doing so through a limited company. Although those consequences were severe and had been described as penal, they did not involve a deprivation of liberty, livelihood or property. It was clear that the Secretary of State was not bound to treat disqualification proceedings as if they involved a criminal charge rather than the determination of civil rights and obligations.

There was nothing irrational, unreasonable or inconsistent in the Secretary of State's decision. The judge had been right to dismiss the application for judicial review.

- Kate O'Hanlon, Barrister

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FINANCIAL JOURNAL OF THE YEAR

Pension funds thundering back into UK equities, Merrill Lynch survey reveals

UK fund managers are cutting down their cash holdings and pouring money into the London stock market, in a marked reversal of investment strategy.

Institutions are underpinned by the recent turmoil in Asia, according to the latest Merrill Lynch survey of UK fund managers, which found buyers of UK equities outnumbering sellers by 14 per cent - the highest figure since summer 1995.

Trevor Greetham, global strategist at Merrill Lynch, said: "In an international context UK equities offer value, the threat of spiralling base rates is receding and earnings could surprise on the upside. It is no wonder that both fund managers and company directors are buying stock."

Over recent years, fears of interest rate hikes have prompted UK fund managers to accumulate "war chests" of cash, according to Mr Greetham. But the growing belief that UK interest rates are at - or near - their peak has led to dramatic cuts in cash holdings.

In the December 1997 Merrill Lynch Gallup survey, cash made up 7.6 per cent of a typical fund manager's portfolio, the highest level seen since September 1990. In early February, by contrast, cash made up just 5.8 per cent of the typical portfolio.

The move from cash to equities looks set to continue over the coming months. Those fund managers planning to reduce cash outnumber those planning to increase it by 35 per cent, a three year high.

The recent upheaval in Asia has failed to deter UK fund managers from investing in stocks. 83 per cent of managers expect the Asian crisis to have only a "marginal" effect on UK corporate earnings, and just 15 per cent say the Asian crisis poses a significant threat.

UK fund managers, in contrast are far more concerned about the fall-out from the Far East, with 23 per cent expecting US corporate earnings to take a "significant" hit.

There is no evidence that the recent rush into equities has been at the expense of UK bonds. UK fund managers remain strong buyers of gilts, with a balance of 22 per cent planning to increase their holdings - the same as in December 1997.

Not all UK equities are equally popular, though, with fund managers showing a marked preference for larger companies. A record 79 per cent of managers prefer FTSE 100 stocks to smaller FTSE 250 stocks.

UK fund managers' taste for equities is not confined solely to the domestic arena. Mr Greetham said: "UK fund managers are also buying international equities, even those in the Pacific. Stocks in Hong Kong and Thailand are gaining support at the expense of the more defensive Australian market."

A net balance of 14 per cent of UK fund managers were buying Asian equities in the February survey. In the January and December surveys, most UK fund managers were selling Asian stocks.

Elsewhere, fund managers on the Continent shared the optimism of their UK counterparts, with bullishness for European equities "reaching fever pitch", according to the survey.

In the US, fund managers were sellers of treasuries for the first time since March 1996. According to Mr Greetham, however, this reflects profit taking rather than increased confidence in the US economy. Bulls of treasuries still outnumber bears by 43 per cent.

Merrill Lynch and Gallup surveyed 282 global institutions, 72 of which were in the UK, between 2 and 4 February.

— Leo Paterson
Outlook, page 21

New Argos chief to collect £10,000-a-day if GUS bid succeeds

Stuart Rose, brought in yesterday to spearhead Argos' defence against a £1.6bn hostile bid by Great Universal Stores, stands to collect £540,000 for 60 days' work if the company fails to keep its independence. Nigel Cope, City Correspondent, reports.

Mr Rose will lead the Argos defence in the absence of Mike Smith, the group's chief executive who is seriously ill at home and unable to fulfil his full duties. Argos had to move quickly to fill the void and Mr Rose had the twin benefits of being available as well as highly regarded.

Mr Rose left the Burton Group at the time of the demerger in July with a pay-off of around £600,000. He was later linked with the chief executive position at WH Smith.

At Argos he will be on a two-year contract with an annual salary of £320,000, plus a supplement of £40,000 and a joining fee of £180,000. His contract states that "if there is a change of control of Argos before 9 February 1999" he will receive one year's salary, plus the £40,000 supplement as well as the joining fee. This means that even if he loses the bid battle, he will have been paid

£540,000 - or £10,000 a day - for the 60-day bid period.

"You have to pay the going rate for a retailer with my experience," he said. He added that the salary was not significantly more than he received during his final year at Burton.

He said he was looking forward to marshalling Argos' defences though he admitted that he had never fought a bid before. "I'm naturally delighted to be doing the job. I have been waiting for just his kind of opportunity."

Mr Rose, 48, left Burton in July amid reports of a management rift over the demerger. Mr Rose had been chief executive of Burton's multiples business including Burton Menswear, Dorothy Perkins and Principles. But John Horner, Burton's chief executive took the top job at Arcadia, the new name for the multiples



Stuart Rose: 'You have to pay the going rate for a retailer with my experience'

business while Terry Green was made head of Debenhams. Mr Rose left with a pay off of £600,000 and has since been doing consultancy work.

Mr Rose had joined the Burton group in 1989. Before that he worked at Marks & Spencer for 12 years.

Analysts welcomed the appointment saying Mr Rose was a proven retailer. Tony Shiret at Credit Suisse First Boston said: "It is obviously a positive move for Argos. He [Mr Rose] was successful at Burton and part of a very good team."

Some analysts questioned Mr Rose's relative lack of experience in home shopping and the "hard goods" sectors in which Argos specialises. However, Mr Rose said he has worked in the housewares and toys sections at Debenhams.

Sir Richard Lloyd, Argos' chairman, said: "We have been talking to Stuart since the extent of Mike Smith's illness became apparent. It is a testament to the strength of the Argos brand and business that he has agreed to joining Argos at this time."

Mr Rose said he was "in it for the long term" and was confident that Argos could defeat the GUS approach. He said he was committed to demonstrating the value of Argos as an independent business. "It is a good business, with a strong brand and a good franchise," he said.

Outlook, page 21



The strength of the pound and Asian turmoil clipped BA's wings in the third quarter

BA slashes cabin crew bill by a third

British Airways has slashed the wages bill for some of its cabin crew by nearly one-third since the settlement of last year's strike which cost the airline £125m.

BA disclosed yesterday that a fifth of its 15,000 strong cabin crew had been re-employed on salaries which are 30 per cent lower. The cut in the wages bill helps explain how BA achieved a 7 per cent improvement in productivity in the third quarter even though it took on another 2,200 staff.

The efficiency improvements were not enough to mask the impact of the strong pound, the Asian economic meltdown and last December's Heathrow fire which conspired to lower profits by 29 per cent for the three months October to December.

Profits for the period declined from £13m to £8m due mainly to a £42m exchange rate loss caused by the strength of sterling. However, BA was also hit by an unexpected £32m charge from General Electric for engine maintenance work on the BA fleet.

The slump in bookings and reduction in yields caused by the downturn in Asia is estimated to have reduced profits by £15m-£20m.

Sir Colin Marshall, BA chairman, said: "Overall trading conditions are expected to remain favourable despite difficult conditions in the Far East and the political situation in the Gulf."

— Michael Harrison
Investment column, page 20

Retail sector adds to pressure for higher rates as industry prices stay flat

The chasm between the fortunes of consumers and industry grew wider last month as high street sales boomed while inflation at the factory gate matched the lowest rate in 35 years. It left economists almost ready to rule out any further increase in interest rates.

City experts will look to the Bank of England's quarterly Inflation Report, due next week, for confirmation of their hope that rates have reached a peak. The report is expected to show underlying inflation on target, despite concerns about pay pressures and spending.

New figures yesterday showed there was no change in prices manufacturers charged for their goods in January and the year-on-year inflation rate declined to 0.7 per cent. This was the lowest since July 1986, itself the lowest since 1963 when the statistics began.

Core prices, excluding volatile components such as food and petrol, fell 0.1 per cent during the month, taking the annual rate of growth to 0.6 per cent.

The drop in oil prices - down 8.7 per cent during one month in sterling terms - took the cost of materials in manufacturing to a level nearly 10 per cent lower than a year ago. Input prices are only 4 per cent higher than they were a decade ago.

But there are enough signs of strength in consumer spending and the jobs market to keep analysts reluctant to conclude there was absolutely no danger of another rate rise.

The latest signal was a survey of retailers showing a boom in January sales, with nearly a fifth of the recipients of free building society shares saying they had spent some of the windfall. The British Retail Consortium reported a 9 per cent rise in the value of sales in the year to January, or 6.1 per cent on a like-for-like basis.

Both were the highest since the autumn of 1996, although the BRC stressed the trend in the latest three months together was weaker than last summer. The Consortium also emphasised the fact that shoppers had been bargain-hunting.

"Retailers suggested that customers appear to have become more astute in delaying major purchases until the January sales started," the report said. There was support for this in the detail, which showed a big rush in the first two weeks of the year for electrical goods.

Bridge Rosewell, the BRC's economic adviser, said: "These results support last week's decision by the Bank of England not to raise interest rates."

A survey of recipients of building society share windfalls conducted in December showed 18 per cent intended to spend some of their saved proceeds in the January sales, and a further 13 per cent said they might do so.

The continuing uncertainty about how much weight to put on the strength of consumer spending as opposed to the weakness of manufacturing means today's figures for retail prices and tomorrow's for average earnings will be closely scrutinised. David Walton, an

economist at Goldman Sachs, said: "There is no threat at all of inflationary pressures in the manufacturing sector. The problem for the inflation outlook lies in the service sector and the effect of the tight jobs market on wages."

Ciaran Barr, of Morgan Deutsche Grenfell, said it was another "benign" set of data but said the Bank of England would have to raise rates again.

"There is no real sign of significant inflationary pressure emanating from the industrial sector as the twin pressures of sterling strength and Asian turmoil take their toll."

"But going forward, it is going to be the labour market, the service sector that are of more concern to the Bank of England. This could be a re-run of last year when the industrial sector gave out virtually no inflationary pressures yet the Bank tightened in response to the inflationary pressures elsewhere in the economy."

— Diane Coyle
Outlook, page 21

West Bromwich 'sold defective mortgages'

West Bromwich Building Society provided dangerous, risky and defective mortgages to unwary elderly borrowers - even though it was clear they could be left with mounting debts and little chance of repaying them, a court heard yesterday. Andrew Verity reports.

Months after being warned by regulators that the mortgages

were dangerous, West Bromwich went on selling them to hundreds of vulnerable customers, the High Court heard.

The Investors Compensation Scheme is suing West Bromwich for at least £35m over the sale of Home Income Plans (HIPs) to 750 borrowers. The plans offered the prospect of a lifetime income and lump sum by releasing the equity in the house.

Two groups of investors, collectively titled "Alford" and "Armitage", are separately suing West Bromwich in an effort to abolish the mortgages.

Under the plans, investment income would repay the mortgage unless the loan, together with interest, amounted to more than 40 per cent of the house value.

Geoffrey Vos QC, for the ICS, said West Bromwich knew, or should have known, that borrowers would be left with mounting debts they could not repay if house prices went down.

Mr Vos said: "The society did not care whether the eligible applicants [for the HIPs] had any means or not. In fact it was always clear to West Bromwich Building Society that borrowers

had no, or very little, income from which they could make mortgage repayments if that became necessary."

"West Bromwich knew from the very beginning that property values do not necessarily keep on rising," Mr Vos said.

Nicholas Padfield QC, for West Bromwich Building Society, said there could be no claim against the society because the responsibility lay with the independent financial adviser who sold the mortgages in 1989, Fisher Prew Smith, which went into liquidation in 1991.

— Andrew Yates

City up in arms over software merger

The City is up in arms about the £71m takeover bid for Rolfe & Nolan, the derivatives software specialist, by its US rival SunGard. Some of the biggest banks in the Square Mile are worried the deal will give the combined group a monopoly over computer systems for futures and options trading.

Leading City banks are lining up to lobby the Government

about SunGard's acquisition of Rolfe & Nolan. They are likely to take up their fears with the Office of Fair Trading, which is investigating into the deal.

Rolfe & Nolan specialises in providing computer software to City institutions which is used primarily to process futures and options transactions. With SunGard, it dominates the market for such software.

When the acquisition of Rolfe & Nolan was announced last Thursday few people outside the City raised an eyebrow. Shareholders welcomed the £25p a share offer, which represented a 46 per cent premium to Rolfe & Nolan's closing share price. The deal also had the backing of the group's directors, who together gross more than £5m from their

shares and options if the deal goes ahead.

However, Rolfe & Nolan are still confident that the deal will be sanctioned. Peter Day said yesterday: "Rolfe & Nolan and SunGard will be major suppliers. But it is a very large market and there are many small software companies that could introduce these systems."

— Andrew Yates

STOCK MARKETS

Index	Close	Change	52 wk high	52 wk low	Yield (%)
FTSE 100	5880.90	-28.80	5875.10	4180.10	3.17
FTSE 250	4978.30	-7.90	4971.90	4384.20	3.13
FTSE 350	2669.80	-10.50	2662.00	2075.70	3.16
FTSE All Share	2600.77	-8.76	2603.63	2056.07	3.15
FTSE SmallCap	2416.70	6.10	2416.50	2182.10	2.97
FTSE 100 Div	1310.70	3.00	1310.70	965.90	1.94
FTSE 250 Div	680.80	2.70	680.80	635.79	1.89
FTSE 350 Div	6174.05	-17.44	6174.05	14488.21	0.89
Nikkei	17205.00	164.94	17205.00	14488.21	3.61
Hang Seng	10873.15	367.20	10873.15	3756.77	1.70
Dax	4563.36	67.22	4563.36	3756.77	1.70

INTEREST RATES

Index	3 month	6 month	1 year	1 yr 6 mo	2 yr	3 yr	5 yr	10 yr	Long bond	1 yr disc
UK 10 year gilt	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83
US long bond	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83
Bond Yields	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83
Money Market Rates	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83
LIBOR	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83
Prime Rate	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83
Base Rate	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83	5.83

CURRENCIES

Index	3 month	6 month	1 year	1 yr 6 mo	2 yr	3 yr	5 yr	10 yr	Long bond	1 yr disc
£/\$	1.6345	-1.14c	1.6335	1.6335	1.6335	1.6335	1.6335	1.6335	1.6335	1.6335
£/DM	1.7121	-0.21p	1.7121	1.7121	1.7121	1.7121	1.7121	1.7121	1.7121	1.7121
£/¥	161.85	-1.41p	161.85	161.85	161.85	161.85	161.85	161.85	161.85	161.85
£/A\$	0.6118	+0.42p	0.6118	0.6118	0.6118	0.6118	0.6118	0.6118	0.6118	0.6118

TOURIST RATES

Country	Rate	Country	Rate
Australia (dollars)	2.3620	Italy (lira)	2.858
Austria (schillings)	20.23	Japan (yen)	202.19
Belgium (francs)	59.38	Malta (lira)	0.6266
Canada (\$)	2.2881	Netherlands (guilder)	3.2428
Cyprus (pounds)	0.8429	Norway (kroner)	12.07
Denmark (kroner)	11.03	Portugal (escudos)	202.47
Finland (markka)	8.7900	Spain (pesetas)	203.56
France (francs)	9.6551	South Africa (rand)	7.7793
Germany (marks)	2.8900	Sweden (kroner)	12.96
Greece (drachme)	456.81	Switzerland (francs)	2.3332
Hong Kong (\$)	12.31	Turkey (lira)	347.97
Ireland (pounds)	1.1454	USA (\$)	1.6018

Source: Thomas Cook
Rates for indication purposes only

THE INVESTMENT COLUMN

EDITED BY ANDREW YATES

PizzaExpress still looks tasty

PizzaExpress has proved to be a mouth-watering investment over the last five years. Its posh pizza restaurants have continued to pick up a bigger slice of the market from downmarket rivals and the company now owns and operates 153 outlets plus eight franchised restaurants and sells a staggering 10 million pizzas a year.

Yesterday PizzaExpress produced another dream topping with pre-tax profits for the six months to December up 49 per cent at £9.4m. The strong set of interim figures benefited from a full contribution from 32 previously franchised restaurants that it mainly acquired in November 1996. Although the results did raise one concern. Margins in the existing restaurants fell over the period from 20.4 to 19.7 per cent due to exceptional staff and training costs. But the margins squeeze did not stop the share price jumping 35.5p to 721.5p yesterday, helped by a 24 per cent increase in the interim dividend to 1.05p.

However, the biggest worry for investors is that this rapid rate of growth could slow down. With half of the profits and turnover still coming from outlets inside the M25 ring road, the group has scope to open plenty of new sites throughout the country. But the rate of expansion in the UK is likely to slow within a few years.

PizzaExpress' long-term growth will depend on its ability to expand overseas. Can, for example, the group make a success of selling pizzas to the Italians or crack America, the biggest pizza market in the world? The company believes saturation will not happen in the UK until the early millennium and by then the overseas business will be ready to take over.

However, expansion abroad is still in its infancy. Sites have opened in France, India, Cyprus and soon Russia. But it is unclear how profitable these ventures will be and how fast the group will be able to expand in each country.

The share price has fallen 15 per cent since last December after several directors sold their stock and City whizz kids, Luke Johnson and Hugh Osmond, took a back seat to concentrate on their other business interests. Even so, the shares are still highly rated. UBS, has downgraded full-year profits by £1m to

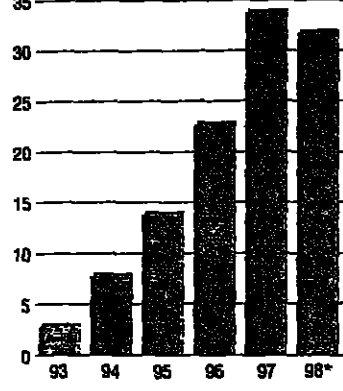
Pizza Express: At a glance

Market value: £478m, share price 721.5p (+34.5p)

Trading record	1995	1996	1997	1996/7	1997/8
Turnover (£2m)	30.7	44.3	71.0	30.65	47.6
Pre-tax profits (£m)	6.6	10.2	16.1	6.3	9.4
Earnings per share (p)	8.4	13.6	20.1	7.8	10.7
Dividends per share (p)	2.00	2.50	3.13	0.85	1.05

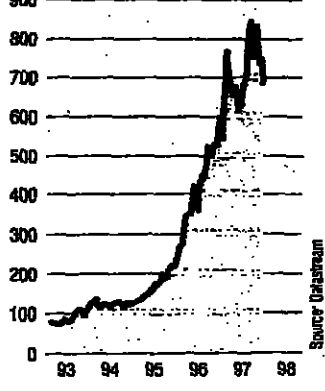
Restaurants opened

(*1998 estimate)



Share price

pence



£22.3m, putting the shares on a multiple of 28-times forecast earnings. That said, investors should hold on, as PizzaExpress has rarely disappointed in the past and could still prove to be a very tasty investment if overseas expansion takes off.

BA runs into more turbulence

British Airways has been a low-flying stock for the best part of a year now. Every time the outlook begins to improve the business runs into another bout of turbulence. Hence the dismal performance of BA's shares, which are trading at a near 40 per cent discount to the market.

The latest jolt was an unexpected £32m bill from General Electric for engine repair work. The charge, together with a £42m exchange rate loss and the £5m cost of December's fire at Heathrow, conspired to drive third-quarter profits down by 30 per cent to £80m.

However, the underlying picture is

not actually quite that bad. BA is still confident of achieving £600m savings next year from its "business efficiency plan" and has already re-employed a fifth of its cabin crew on 30 per cent less pay following last year's settlement.

Meanwhile, productivity is up 7 per cent, even though BA has added another 2,200 staff, and yields are up by an underlying 7 per cent stripping out currency effects.

Market sentiment to the airline may, therefore, be on the turn at last. The big uncertainty, however, remains the outcome of BA's long-delayed alliance with American Airlines. The conciliatory noises coming out of BA and Brussels and the eagerness of President Clinton and Prime Minister Blair to seal an open-skies agreement suggests the final denouement from the European Competition Commissioner Karel van Miert is at hand.

But the devil will be in the detail - 300 slots sacrificed immediately is a lot different to 300 slots fed out into the market over, say, four years. What's more, some wise old airline birds reckon open skies will equal the mother of all price wars, which would dent BA's yields.

Dresdner Kleinwort Benson is pencilling in profits of £725m, putting the shares, up 7p at 560p, on a measly prospective multiple of 10. But wait to see the whites of Mr Van Miert's eyes before climbing on board.

Northamber blip should not deter

Perhaps it's understandable that investors with long memories are wary of Northamber. Shareholders in the computer distributor almost lost their shirts during the recession, when it crashed to a loss. Even so, those who picked the right time to buy are sitting on a tidy profit. In the past five years, Northamber shares have risen from 12.5p to a high of 255p.

Yesterday's 10p fall in the share price, to 245p, should be seen in that context. After a strong run, investors clearly thought this was the time to lock in some profits. But Northamber shares still don't look expensive. On yesterday's results, which showed a 14.5 per cent increase in pre-tax profits to £4.26m, the shares trade on a historical earnings multiple of just 14.

Clearly, Northamber is subject to the vagaries of the PC industry, even though it sells to more stable business customers, rather than in the cut-throat consumer market. The comment that it had increased its bad debt provisions following the collapse of several computer assembly companies would be enough to give any investor the jitters. But in some ways the inclusion of the provision, which Northamber would not disclose but described as "prudent", only makes its results more impressive.

Then there's channel assembly - the business of putting parts into computers at the last possible minute before they are sold to the customer - which Northamber does for Hewlett Packard and IBM. Competition from direct sales companies such as Dell has forced others to increasingly customise their product to make sure customers get the parts they want. Channel Assembly currently accounts for one-fifth of Northamber's business, and is growing quickly.

So Northamber's growth, though not without its risk, is set to continue for several years. Add to that the possibility that chairman and majority shareholder, David Phillips, might sell out to a larger bidder, and investors have every reason to hold on to their Northamber shares.

Astec upbeat on results as it fends off Emerson bid

The bitter battle between Astec (BSR) and Emerson Electric, its major shareholder, heated up yesterday as the electronics group gave an upbeat assessment of its future prospects.

Unveiling its full-year results, Astec forecast a growth rate of more than 7 per cent and said it was "well-positioned to meet its continued sales growth and earnings objectives".

Meanwhile, Astec's independent directors called on shareholders to oppose a motion seeking to remove three executive directors from the board. Emerson has requisitioned an extraordinary general meeting to be held on 9 March, to remove Mike Arrowsmith, the finance director, and two other executives from the board and replace them with Emerson appointees. The move would give Emerson a majority on the

board and allow it to carry out its threat to suspend Astec's dividend payments.

But Astec's directors yesterday said they considered each of the three men "to be very important to the company's future prosperity" and argued the strong results showed the quality of Astec's management.

Last week, institutional shareholders including Royal & Sun Alliance and Electra Fleming, revealed they were considering legal action against Emerson on the grounds that it had acted with "unfair prejudice" against minority shareholders. The institutions hope to bring their case to court by the end of next week.

Astec's results contradicted the warning issued by Emerson last month when it made an informal bid for the 49 per cent of Astec it does not already own.

At the time, Emerson said that the upheaval in Far Eastern markets was likely to damage Astec's business.

However, Astec yesterday claimed that instability in Asian currencies had a "minimal impact" on sales. Indeed, it argued that the currency evaluations had benefited the company by allowing it to sell more cheaply from its Asian currency base.

A spokesman for Emerson said the statement contained "nothing new". In a further embarrassment for Emerson, the statement was signed by Howard Lance, the Astec chief executive appointed by Emerson.

Astec shares reacted positively to the results, rising 2p to 127p. When Emerson announced its intention to make an offer at the prevailing market price, the shares were 111p.

- Peter Thal Larsen

Pearson sells satellite stake

Pearson, the international media company, has sold its stake in SES, which owns the Astra satellite system, to an unnamed European investment company for £160m.

Greg Dyke, Pearson's Television chairman and chief executive, said the deal was in line with Pearson's strategy of disposing of "passive broadcasting investments which do not offer any real advantage to our actively managed production and distribution businesses".

Pearson, which owns the Financial Times and the Economist, is spinning off minority stakes and expanding its television production unit, in pursuit of chief executive Marjorie Scardino's goal of doubling the company's value by 2002.

Analysts said Pearson's strategy raised the question of when it would sell its 4.3 per cent stake in British Sky Broadcasting. Pearson shares fell 5p to 820p yesterday. BSkyB's shares were unchanged at 372p.

Body Shop replaces US chief

Body Shop has replaced the chief executive of its troubled American operations following the continued underperformance of the business. Steen Kanter is leaving as president and chief executive of Body Shop Inc after just 17 months in the job. He will be replaced by David Edward, chairman of Body Shop Inc and a member of the management team which set up the group's operations in the US 10 years ago.

Mr Kanter was not a main board director and so neither his pay or contract details are disclosed. However, it is expected that he will receive substantial compensation. Body Shop said that Mr Kanter was leaving "to pursue other interests".

The American market has been a continuing problem for Body Shop and the business has been struggling with weak sales and fierce competition in a cut-throat market. In its Christmas trading statement, Body Shop said its sales in America were down 4 per cent on the same period last year. Body Shop has been badly affected by rivals such as Bath & Body Works rolling out new stores at the rate of one a week.

John Richards of NatWest Securities said the culture of Body Shop sometimes made it difficult for outsiders to come in. Mr Kanter joined the group from Lechters, a US homewares company.

- Nigel Cape

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Astec (BSR) (p)	388.0m (380.2m)	37.16m (35.91m)	9.41p (8.55p)	2.10p (1.88p)
BA (10p)	2.18m (2.02m)	80.0m (131.0m)	6.3p (5.2p)	
Harrolds Property (1)	3.24m (0.99m)	1.09m (0.39m)	14.5p (11.6p)	1.0p (nil)
Northamber (1)	149.5m (133.1m)	4.26m (3.72m)	8.4p (7.9p)	1.2p (0.8p)
PizzaExpress (1)	47.95m (28.45m)	9.26m (6.26m)	10.7p (7.9p)	1.05p (0.85p)
(p) - Pail (1) - 10p (1) - 10p				

Fewer than 20 employees? Have your say on a law that could affect your business and help disabled people.

The Disability Discrimination Act protects disabled people against discrimination. The employment part of the Act currently affects companies with 20 or more staff, but the Government is consulting on whether this limit should be lowered to cover smaller organisations like your own. To have your say, get hold of a consultation document by calling 0345 622 633, textphone 0345 622 644 quoting SEF2, or fill in this coupon and send it to DDA Information Line, FREEPOST MID 02164 Stratford-upon-Avon, CV37 9BR.

Name _____ Address _____
Telephone _____ Postcode _____
SEF2

THE INDEPENDENT
INDEPENDENT

£10 Conran lunch

The Independent and Independent on Sunday in association with Terence Conran are delighted to offer readers the opportunity to enjoy lunch or early evening supper at six of London's top restaurants throughout February for £10

Until Saturday February 28th, the following establishments are offering readers a two course lunch or early evening supper for just £10 per person.

How to Book

To participate in the offer simply collect one token (tokens will be printed every day until Saturday February 28th) and then telephone the restaurant of your choice quoting yourself as an Independent diner. On your arrival at the restaurant you should present your token in order to qualify for the offer. Each token is valid for a complete table booking. The tokens will be valid for one week only, and will be dated accordingly. To continue to participate in the offer, simply collect a token from the week in which you wish to dine. Pre-booking is essential and all bookings are subject to availability.

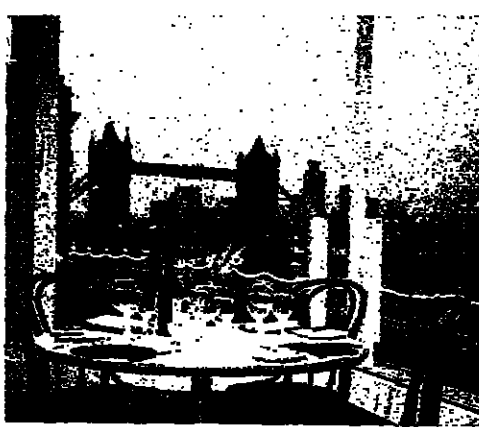
A special discount is available on selected items in the Bluebird and Le Pont de la Tour shops on presentation of the token.



MOZZO



ZINC BAR & GRILL



Blue Print Café

THE INDEPENDENT INDEPENDENT
Valid between Saturday February 7th and Friday February 13th
Name _____
Address _____
This voucher entitles the holder and all members of their booking to participate in The Independent/Conran Restaurants £10 lunch offer

The Independent offer is available at the following restaurants:

Bluebird 350 King's Road, London, SW3 5UU
0171 559 1000
Lunch 12noon - 3pm, early evening supper 6pm - 7pm

Blue Print Café The Design Museum, 28 Shad Thames, London, SE1 2YE
0171 378 7031
Lunch 12noon - 3pm, early evening supper 6pm - 7pm*

Le Pont de la Tour Bar & Grill 36d Shad Thames, London, SE1 2YE
0171 403 8403
Lunch 12noon - 3pm, early evening supper 6pm - 7pm

Mozzo 100 Wardour Street, London, W1V 3LE
0171 314 4000
Lunch 12noon - 3pm, early evening supper 6pm - 7pm
closed Saturday lunchtime, open Sunday 12pm - 4pm

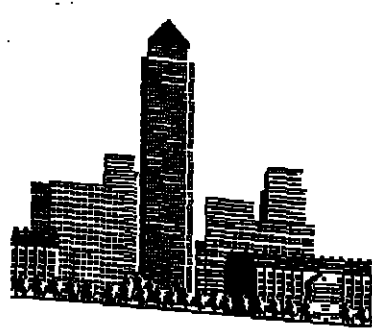
Quaglino's 16 Bury Street, St James's, London, SW1Y 6AL
0171 930 6767
Lunch 12noon - 3pm, early evening supper 5.30pm - 6.30pm

Zinc Bar & Grill 21 Heddon Street, London, W1R 7LF
0171 255 8899

The special 3 course menu is available between 12noon and 7pm between Monday and Wednesday the offer is extended until 11pm*

The offer is available 7 days a week at all six restaurants
* Closed from 6pm on Sunday Offer not available after 6pm on February 14

هَذَا مِنْ الْأَصْلِ



OUTLOOK ON FUND MANAGERS' DASH FROM CASH, FEARS OVER PRICES, ARGOS' PAY SCALES AND THE LATEST CHALLENGE FOR THE RECS

Don't risk running against the thundering herd

When the last bear turns bullish, the saying goes, then's the time to turn bearish. If you subscribe to this line of contrary thinking, the latest Merrill Lynch Gallup survey of UK fund managers provides plenty of food for thought. After more than a year of dithering on the sidelines, UK pension fund managers have suddenly decided to plunge back into the stock market with a vengeance.

In December, cash made up 7.6 per cent of the average portfolio – the highest figure since September 1990. Over the last month, however, that position has dramatically reversed. The average cash position has fallen back sharply to 5.8 per cent of assets and, by the look of it, is destined to fall further still. Those planning to reduce cash outnumber those planning to raise it by 35 per cent, a three-year high. Their main target, moreover, is UK equities. No wonder the UK stock market has seen such a dramatic rise so far this year. The FTSE 100 index alone is up more than 9 per cent. What's going on here?

Partly it's the obvious truism that cash hasn't yet paid. Those strongly into cash last year – PDM, Gartmore, MAM, and Schroders – all found themselves bottom-quartile performers despite the wobble in equity markets caused by the crisis in the Far East. Furthermore, there is a general belief that interest rates have reached their cyclical peak and will be on the wane from the summer onwards. Short sterling is pricing in the risk of another small increase over the next month or two but it's all downhill after that.

There are also lots of micro reasons why UK equities look good value. For a start, they weren't nearly such good performers last year as continental or US equities, for which there appears no good reason other than the general caution of UK fund managers. Consolidation and capital restructurings in British industry and commerce are creating a shortage of equity to boot, which in itself is driving up prices.

So perhaps the pension funds are right to turn bullish once more. Given how wrong most of them got it last year, their judgement is obviously open to question. All the same, now's probably not the time to be running against the herd; you're likely to be trampled under hoof if you do.

Falling prices don't mean deflation

Commodity prices are falling, the strong pound is keeping imports cheap, and industry is so deep in the doldrums that manufacturers stand no chance of pushing through increases in the price of their products. The circumstances could not be more favourable for keeping inflation low, as yesterday's figures seemed to confirm.

Add to that picture the possible effects of the Asian financial crisis on world-wide growth and the expected slowdown in the US, and it is perhaps not surprising that some pundits have started to predict deflation – falling prices in absolute terms – for the first time since the Great

Depression. Not surprising, but premature. Inflationary pressures are probably weak enough to make deflation more of a possibility now than at any time in the past 60 years, but even so the deflation fear stems from over-generalisation rather than anything else.

Start with the Asian effect. The fall in Pacific Rim exchange rates, combined with a glut of some of the products they produce, such as semiconductors and cars, is dramatically cutting the sterling cost of these goods. But this probably doesn't mean a massive flood of cheap imports. The Asian economies are in no position to buy the imported materials, get the trade credit or invest in the extra capacity they would need for this to happen.

The price of some goods and services – communications and IT in particular – is falling rapidly, and their quality improving. But this isn't deflation either. It is a change in relative prices that always graces goods at this stage in their life-cycle. It happened with TVs and cameras too. Cheaper consumer electronics did not mean that prices across the economy as a whole started to fall in the 1960s. The price of wages – much less well behaved than the price of goods – is the more important signal.

Besides, against this incredibly favourable background, the UK still manages to have underlying inflation above-target and above the rates in almost all the rest of the industrialised world. It is still too early to relax completely about meeting the 2.5 per cent inflation target,

never mind start worrying about deflationary dangers.

A rosy future even if he fails ...

Poor Stuart Rose. He's been out of a job since July, having been passed over for both top jobs in the now demerged Burton Group. For a while, it looked as if he might shoe horn his way into the vacant chief executive's shoes at WH Smith, but that strategy failed too. Everyone deserves a break, however, and thanks to Mike Smith's illness, he now finds himself parachuted in to man the defences at Argos.

Someone's got to do it, and it may well be that Mr Rose was cheap at the price. Certainly he was immediately available, unlike most other capable retailers. Even so, Mr Rose must be feeling like he just won the lottery, for if he fails to see off GUS, he'll be trousering £540,000 by way of consolation prize. Not bad for less than two months work. This may be an old-fashioned view, but surely that sort of money is usually reserved for outstanding business success?

Beckett signs up to electricity split

Never a dull moment in the electricity industry. No sooner has it seen off the threat from British Gas to the 12 domestic monopolies that make up the market than the

Government is about to recommend splitting each business in two.

The idea of separating electricity supply, the bit that sends out bills and fails to turn up for appointments on time, from the monopoly wires business, the bit that makes the profit, is hardly a new one. There is so much agreement on what a good thing it would be that even the industry regulator, Professor Stephen Littlechild, thinks it a good idea. Now the President of the Board of Trade, Margaret Beckett, is about to adopt it too, in her Green Paper on utility regulation, coming to an HMSO bookshop near you any time soon.

The present structure of the industry gives plenty of scope for cross subsidisation of low-margin supply businesses from the highly profitable wires businesses. So there's an obvious case for going the separation route. What is less clear is how the two legs should be split apart. Will simple ring fencing of the two suffice or will the authorities insist on separate ownership?

For the US utilities that now own the industry the *quid pro quo* may be that separation of the businesses may be the trigger for a series of mergers in supply and distribution, enabling the RECs to create new economies of scale. Meanwhile, Ed Wallis at PowerGen is wondering whether there will be room at the table for the generators too. Whether Mrs Beckett has an equal appetite for his kind of vertical integration as well remains less obvious. Certainly, it would kick against the idea of separating supply and distribution, so the omens aren't good.

Courtaulds delays plans for Far Eastern Tencel plant

Asia's growing economic crisis has forced Courtaulds, the chemicals group, to postpone plans for the construction of a £150m fibre plant in the Far East. As Andrew Yates reports, the news came as Korean giant Hyundai confirmed it was delaying work on its UK factory.

The new plant would have produced Tencel, Courtaulds' new "wonder fibre" and its location was to be announced last autumn. The news came as Hyundai, the Korean electronics group, confirmed long-running rumours it was delaying construction work at its Scottish plant.

Building delays at the group's new £120m Tencel factory in Grimsby meant the construction of the Asian plant had already been put back by several months. Now the downturn in the Far East has led to it being postponed indefinitely.

Courtaulds said that the economic crisis had already led to a dramatic fall in imports to the area from the West, with orders drying up at some of Courtaulds' businesses. Mr Campbell said Asian econ-

omies would react to the severe problems at home by dumping their products on the developed world. "They will try to export their way out of trouble," he said.

Tencel is the first man-made fibre to be invented for more than 30 years. Courtaulds claims it is a soft as silk, but it is much tougher and doesn't wrinkle. The new Asian plant was part of the group's plan to expand the production of Tencel rapidly over the next few years. However, Courtaulds remains confident that further delays will not hamper its long-term output plans.

The disappointing performance of the group's viscose business, which has been dogged by overcapacity and the damaging effects of the strong pound, has seen Cour-

taulds' share price tumble from 605p five years ago to 285p. Mr Campbell said the slump in Courtaulds' value could leave it open to a bid. "We have not had talks with anybody or had an approach. However, I wouldn't be surprised if we did get one," he said.

Meanwhile, Hyundai Semiconductor Europe said it was delaying construction work at its Dunderline plant because of continued economic problems in South Korea.

Hyundai announced in December that investment in manufacturing equipment and tooling would be pushed back by a year, pending recovery in the Asian markets. The group said yesterday that it did not expect this rescheduling to be changed as a result of the delay to UK construction work.

Governor Bush blocks lawyers' payments in Texan tobacco lawsuit

The Governor of the state of Texas, George Bush, has asked the US federal courts to block the payment to the lawyers involved in the lawsuit against the tobacco industry – estimated at more than \$100,000 an hour.

The cigarette manufacturers last month agreed to shell out \$15.3bn (£9.4bn) in damages in a settlement to cover the costs of treating Texans with smoking-related diseases. The fees paid to the lawyers who represented the state worked out at \$2.3bn. According to the *Houston Chronicle*, assuming the five lawyers involved worked 40

hours a week for 18 months, then their hourly rate was an astounding \$105,022.

His action has infuriated Texas' Attorney-General, Dan Morales, who warns the entire deal could be jeopardised.

But Mr Bush, the son for the former president, knows that his manoeuvre is bound to please taxpayers and voters. The Governor faces re-election this year and is known to have his eye on a White House run in 2000.

Similar struggles are under way in Florida, where a group of lawyers is attempting to collect a 25 per cent fee for a

\$11.3bn tobacco settlement reached there last year, or a total of \$2.87bn. Indeed the two sets of fees, in Texas and Florida, would be the largest ever in US litigation history.

If Governor Bush's intervention succeeds, it could have implications beyond Texas. Most importantly, it could partially reign in the appetite of the myriad lawyers and lobbyists lining up in Washington where the US Congress is expected later this year to legislate on the \$368.5bn national tobacco settlement that was putatively agreed last year.

Indeed, several bills have

been tabled by members of Congress asking that hourly rates of between \$150 and \$250 be imposed on all lawyers involved in turning the settlement into federal law.

Meanwhile, clouds were forming on the horizon of the US cigar industry. Cigar-makers have generally eluded government notice or supervision. Now the Federal Trade Commission is training its sights on cigars, in response to the sudden growth in their popularity. Cigar consumption in the US has grown by 53 per cent since 1993.

— David Osborne

Scorned sage of Asian crisis fears nascent bubble in Europe

An economic analyst who was sharply rebuked by South-east Asian politicians when he predicted the region's impending economic crisis two years ago has issued a similar warning over Europe. Andrew Verity reports.



Albert Edwards. Coined the phrase "Noddynamics"

When Albert Edwards rubbished the economic miracle of the Tiger economies in a briefing note in January 1996 and warned its bubble was about to burst, he was hardly thanked for his prescience.

Mr Edwards' employers at Dresner Kleinwort Benson (DKB) were besieged with acid reactions from politicians in South-east Asia. He received hate mail from Asian financiers convinced he was conducting a vendetta on the region.

He had described the macroeconomic views of Dr Mahathir Mohamad, the Malaysian Prime Minister, as "Noddynamics". He coined the term in a briefing note to South-east Asian clients of DKB, which predicted precisely the collapse that Malaysia, South Korea, Thailand and Indonesia have suffered.

Mr Edwards warned that Malaysia in particular was ignoring its yawning current account deficit and dwindling foreign exchange reserves. Attempts to keep currencies stable were "stretching the pa-

investors to breaking point", he warned.

When the "Noddynamics" label was publicised, Dr Mahathir was furious. DKB, which stood in danger of losing its brokerage licence in Malaysia, immediately apologised for any offence. It also pulped Mr Edwards' report.

Mr Edwards now believes that Europe is in danger of developing an economic bubble very similar to Asia's.

"Germany and France are asking headway. As EMU goes ahead, Italian and Spanish interest rates will go down. In the Euro-bubble, interest rates will be set for the laggards. Inflation will soar in the other countries but the European Central Bank will not be able to address it because France would go back into recession. EMU would be over in two years."

The only difference, Mr Edwards said, is "exchange rates [in Europe] are irrevocably fixed, so this bubble will not burst, it just deflates".

NatWest to sell Australian arm to US bank for £52m

NatWest, the UK bank, is to sell its Australian and New Zealand securities and investment banking businesses to Salomon Smith Barney, the US investment bank, for A\$130m (£52m). The price represents a small premium to net assets. The sale follows NatWest's decision, announced last year, to exit the global equities business. Under the terms of the deal, NatWest's Australasian equities and corporate finance activities, together with part of its financial markets division, will transfer to the US bank.

Phibro aids investigations

Phibro, the commodity trading of Salomon Smith Barney, yesterday confirmed it had co-operated with Lovell & Stewart, the law firm which last month accused it of manipulating the silver market. Phibro, which has always denied their accusations, said it had provided Lovell & Stewart with a variety of information in a bid to have the suit dropped. Phibro hit the headlines last week when it emerged that it acted for Warren Buffet, the US billionaire investor who owns a fifth of the world's silver supply.

Northern Rock scraps MICs

Northern Rock is scrapping mortgage indemnity charges (MICs) to customers who take a loan worth less than 85 per cent of the property value. The controversial charges, which pay for insurance to cover the lender against falling house prices but not the borrower, were last week scrapped by the Halifax for loans worth less than 90 per cent of the house. Most first-time borrowers will still be forced to pay the charges.

Guardian IT to float

Guardian IT, a supplier of business continuity and disaster recovery services, is to float on the stock market, it announced yesterday. The business was formed in March 1991 when ICL and Sherwood each transferred their existing disaster recovery businesses into Guardian Computer Services. The Guardian Group said it has achieved strong turnover and profits growth since January 1995 and reported operating profits of £5.6m in the year to December 1997, an increase of 61 per cent on the previous year.

Forgemasters sells division

Sheffield Forgemasters has sold its aerospace division to Allegheny Teledyne of the US for £67.5m cash. Allegheny Teledyne had said on 12 January it was in talks with Sheffield Forgemasters, which was one of the companies caught up – but later exonerated – in the Iraqi Supergun inquiry, to buy the division, which produces steel and nickel-based alloys. "The aerospace division has particular strength in the global aerospace industry," said Stuart Wallis, chairman of Sheffield Forgemasters.

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Orange rings up new high amid rumours of BAe sale

MARKET REPORT



DEREK PAIN

As most blue chips took a breather after last week's heroics, Orange, the loss-making mobile telephone group, continued to dial new highs.

The shares climbed 10p to 320p as the market dwelt upon the story that British Aerospace was near to selling its 21 per cent shareholding.

The sale to a continental group, possibly Veolia of Germany or Italy's mobile telephone operation, is the most likely BAe exit route. There has been talk of a placing, even a secondary flotation, but it seems BAe and the other major Orange shareholder, Hutchison Whampoa with 49 per cent, favour a deal with another telecoms group.

It is felt a deal with a European group will improve Orange's chances of developing its operations on the Continent. But if BAe cannot locate a suitable European buyer it is possible Hutchison,

the Hong Kong group run by Li Ka-shing, could increase its own holding.

BAe may feel the time is ripe to sell. Telephone shares are riding high on incessant chatter of bids and deals and BAe could pick up approaching £1bn for an interest it staked into in the 1980s on a diversification spree.

The group has almost completed selling unwanted bits and pieces, allowing it to concentrate on its core aerospace and defence operations. BAe, still seen as a target for General Electric Co, firmed up to 1,734p.

Cable & Wireless provided another indication of the bid fever engulfing telephony shares. The shares jumped 19p to 632p on new suggestions BT was planning to reassemble its earlier aborted merger deal.

But the suspicion remains BT, up 2p to 565p, is more interested in a US link with, perhaps,

AT&T emerging as its new international partner.

Footsie ended the session down 28.8 points at 5,600.9, a rather unglamorous response to a sudden change of heart by City fund managers who, according to the latest Merrill Lynch survey, have at last turned bullish and are dipping into their towering cash piles.

The arrival of so many fund managers on the bull bandwagon will doubtless be seen in some quarters as a worrying indication that shares could run out of steam and the oil forecast bear run is uncomfortably near.

As Footsie filtered, with worries surfacing over the Gulf tension, the supporting midcap and smallcap indices moved to new peaks.

Financials gave ground as their strength this year prompted profit taking. There were distinct signs that small shareholders were tempted to snatch

their profits on the former building societies. The selling stampede has prompted Halifax to draft in more staff to deal with the avalanche of telephone inquiries, even so there was an 11 minute wait yesterday.

Turnover, put at 6.3 million shares, featured many small deals of around 200 shares. The price fell 25p to 920p.

Panmure Gordon is today expected to publish research

suggesting the mortgage banks are overvalued by up to 20 per cent and should be sold.

Asda fell 10.25p to 194p with Credit Lyonnais Latic cautious. Henderson Crosthwaite cast doubts on the supermarket chains where it said valuations were stretched and opted for convenience stores.

British Energy fell 22p to 438p with Salomon Smith Barney suggesting the shares will underperform and SBC Warburg sell advice on National Grid lowered the price 12p to 322p.

Northern Ireland Electricity, now Viridian, traded 5p lower at 566p following its capital reconstruction which returned £67m to shareholders. Cookson, the industrial materials group, attracted takeover speculation following a 6p gain to 189p.

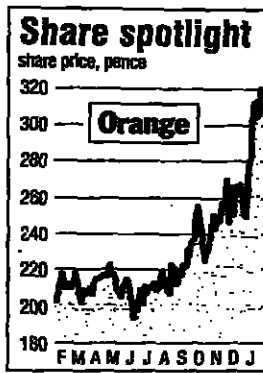
Warburg helped London International, the condom group, 1.5p higher to 155.5p.

TAKING STOCK

Planned takeover of Sibir Energy by its largest shareholder, Pentax, has been put back. The delay is due to Sibir's acquisition of a 20 per cent stake in a company developing oil fields in western Siberia. Pentax floated Sibir, unchanged at 35.5p, as a vehicle for its oil interests in the former Soviet Union.

Rebus, the computer services group spun off from insurance broker CE Heath is belatedly catching up with the IT re-rating, firming 4.5p to 108.5p. One investment house has a 150p year-end target, arguing the price would be 250p on US valuations.

Colin Blackburn, a stockbroker with a knack of picking winners, has taken a 3.1 per cent stake in Tadpole Technology, one of the walking wounded. The shares rose 2.5p to 13p - they were once 408.5p.



12 weeks	High	Low	Stock	Price	Chg	Yld	P/E	Div
Alcoholic Beverages								
57-08 United Breweries	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-09 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-10 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-11 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-12 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-13 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-14 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-15 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-16 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-17 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-18 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-19 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-20 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-21 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-22 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-23 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-24 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-25 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-26 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-27 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-28 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-29 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-30 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00

12 weeks	High	Low	Stock	Price	Chg	Yld	P/E	Div
Alcoholic Beverages								
57-31 United Breweries	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-32 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-33 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-34 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-35 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-36 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-37 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-38 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-39 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-40 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-41 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-42 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-43 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-44 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-45 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-46 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-47 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-48 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-49 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-50 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00

12 weeks	High	Low	Stock	Price	Chg	Yld	P/E	Div
Alcoholic Beverages								
57-51 United Breweries	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-52 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-53 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-54 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-55 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-56 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-57 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-58 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-59 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-60 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-61 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-62 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-63 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-64 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-65 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-66 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-67 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-68 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-69 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-70 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00

12 weeks	High	Low	Stock	Price	Chg	Yld	P/E	Div
Alcoholic Beverages								
57-71 United Breweries	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-72 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-73 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-74 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-75 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-76 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-77 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-78 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-79 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-80 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-81 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-82 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-83 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-84 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-85 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-86 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-87 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-88 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-89 Carlsberg	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-90 Heineken	245.00	240.00	245.00	245.00	+0.00	4.8	10.0	0.00

12 weeks	High	Low	Stock	Price	Chg	Yld	P/E	Div
Alcoholic Beverages								
57-91 United Brew	245.00	+200 73.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-92 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-93 Carlsberg	245.00	-2.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-94 Heineken	245.00	-7.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-95 Carlsberg	245.00	-0.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-96 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-97 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-98 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-99 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-100 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-101 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-102 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-103 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-104 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-105 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-106 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-107 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-108 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-109 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-110 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-111 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-112 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-113 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-114 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-115 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-116 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-117 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-118 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-119 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-120 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-121 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-122 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-123 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-124 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-125 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-126 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-127 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-128 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-129 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-130 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-131 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-132 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-133 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-134 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-135 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-136 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-137 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-138 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-139 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-140 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-141 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-142 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-143 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-144 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-145 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-146 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-147 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-148 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-149 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-150 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-151 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-152 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-153 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-154 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-155 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-156 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-157 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-158 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-159 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-160 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-161 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-162 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-163 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-164 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-165 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-166 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-167 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-168 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-169 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-170 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-171 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-172 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-173 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-174 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-175 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-176 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-177 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-178 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-179 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-180 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-181 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-182 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-183 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-184 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-185 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-186 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-187 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-188 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-189 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-190 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-191 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-192 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-193 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-194 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-195 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-196 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-197 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-198 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-199 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-200 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-201 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-202 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-203 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-204 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-205 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-206 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-207 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-208 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-209 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-210 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-211 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-212 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-213 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-214 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-215 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-216 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-217 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-218 Heineken	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-219 Carlsberg	245.00	-1.00	245.00	245.00	+0.00	4.8	10.0	0.00
57-220 Heineken	245.00	-1.00	245.00	245.0				

Economic sense and political sensibilities over the euro



HAMISH MCRAE
ON CALLS
FOR DELAYED
START TO EMU

One of the great failures of economics as a profession has been its inability to convince the world that economists really understand more about economics than everyone else. We all accept that doctors know more about medicine than politicians. We all accept that accountants know more about accountancy. But when 155 German economists attack the view of the German political establishment about the economic weaknesses behind European monetary union and call for it to be delayed, the chances are they will not be believed.

This is a pity because the arguments outlined by the 155 in letters to the *Financial Times* and the *Frankfurter Allgemeine Zeitung* ought to carry the same authority as a similar warning by doctors or accountants. They are not against the currency as such, but they believe the big European countries have not yet achieved a sufficiently stable economic state for a new currency safely to be introduced. Accordingly, they call for an "orderly postponement" for a couple of years.

It is just possible that they will be successful. The last time a similar action took place in Germany, in 1969 when 50

economists called for the German mark to be floated, they succeeded: the mark was indeed floated when the fixed exchange rate system collapsed. The UK precedent, however, is less propitious: when 364 economists warned of disaster in 1981 after the then chancellor, Geoffrey Howe, had tightened policy in the middle of a recession. That budget is now generally regarded as laying the basis for Britain's economic recovery during the 1980s.

What the German economists' letter has done is to show that a large part of the professional establishment in Germany is deeply concerned about the technical weaknesses of the plan for economic and monetary union (EMU) at this time. By coincidence, yesterday there was yet another survey showing that ordinary Germans were deeply concerned too. A poll commissioned by Abbey National revealed only 29 per cent of Germans were in favour, compared with 52 per cent here.

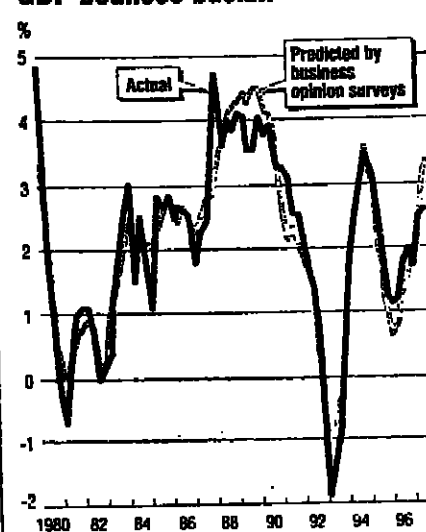
It will be at least a few weeks before we know whether these German fears are translated into political action, for at the moment the political establishment remains firmly in favour. What has become completely clear, though, is that whether or when there is to be a euro will be a German decision.

Until that letter was published the financial markets had become convinced that a broad, 11-member, euro would start on time. The various investment banks have been working overtime to chart its likely future. Two pieces of work in the last few days, one by JP Morgan, the other by PaineWebber, deserve a wider audience.

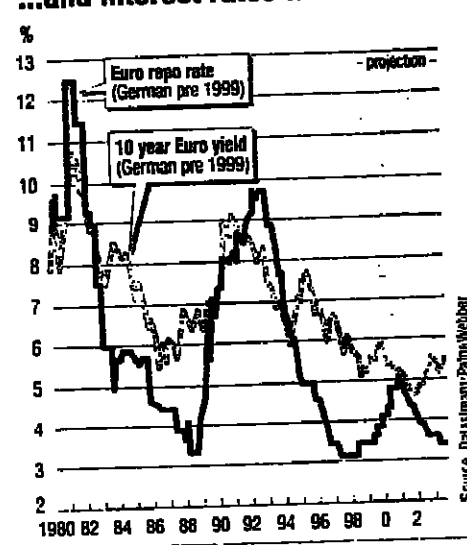
The Morgan paper focuses on the euro-area economy, that is, the economy of the 11 prospective members. The key point here is that demand is turning up and accordingly the next few months would see a more favourable economic backdrop. The general picture is shown

'Euro area' growth and interest rates

GDP bounces back...



...and interest rates will rise



in the left-hand graph, which shows what has actually been happening to the euro area's gross domestic product (GDP) and the prediction of it from business surveys in the key countries. In addition, export order books have been rising since the spring of 1996, and with them consumer and industrial confidence. Credit growth is strong and, outside Germany, unemployment is falling. As yet there has been no recovery in consumer spending, but if the confidence indicators are any guide this should happen soon.

It is even possible that what has so far been a jobless recovery will turn into a job-creating one. If that happens then the most powerful practical argument against EMU, that it will add to European unemployment, will be pushed back a little.

So the practical reality is that if the Morgan team is right the overall economic background in the euro area will tend to improve rather than deteriorate. What are the implications of this for euro interest rates?

PaineWebber operates on the politically sensitive but probably correct assumption

that the policies determining the euro's interest rates will be similar to those that have determined the mark's. It has produced the chart on the right, which shows short-term and long-term rates for the mark until 1999 and the euro thereafter.

It reckons the run-up to the millennium will see quite strong growth, with unemployment stabilising and extra demand coming from both added investment and pre-millennial euphoria. Interest rates will be too loose for many European countries, including Italy, Spain, Ireland and the Netherlands, which will further add to the sense of elation. Eventually, interest rates will have to be tightened and the euro repo rate (the equivalent of the present German repo rate) will rise to 5 per cent in the year 2000.

The result will be monetary overkill, for this rise will hit the European economy just as it heads into the post-millennial slump. What then? Will the slump come in time to break up the whole project, for remember the individual currencies will still exist even though they have been locked together? Well, PaineWebber makes the wise

comment that if the project has the support of the German government, the Bundesbank will use all its weight to support it too. So if the thing is to break apart, EMU itself will not be the weakest link in the chain: politics or society will crack first.

The difficulty in assessing what will happen to the plan for the euro is working out to what extent each new bit of information changes one's "call". The economic case for delay is overwhelming, as those 155 German economists argue. But for a while political will can override economic forces. Political will held together the Bretton Woods fixed exchange rate system for about five years after it had become evident that the system might not survive. So the 155 letter, notwithstanding the force of its arguments, is not important in economic terms—merely in political. Does it shift the debate in Germany enough to change the politician's minds? Of itself, probably not. But it may have a snowball effect, particularly if the assessment for the euro-group economy outlined above proves overly cheerful and the Continent does not get decent growth this year.

PEOPLE & BUSINESS

JOHN WILLCOCK



Michael Turt, founder and managing director of Mears group, which provides building services to local authorities, unexpectedly resigned yesterday amid rumours of a boardroom bust-up.

The executive chairman Bob Holt insists relations between the two are cordial and Mr Turt merely wanted to spend more time at his house in Spain. But informed sources say the two differed in their responses to approaches from potential predators. While Mr Turt wanted to sell out, Mr Holt preferred to keep the company independent, according to the rumours.

Among the companies who admit to having held talks with Mears are the Dean Group, run by the acquisitive Stephen Dean. Mr Turt admits talks with undisclosed parties are still ongoing, while Mr Turt is off to spend the proceeds of the 9,200,000 shares in Mears he sold yesterday, totalling well over £900,000. Mr Turt has signed a no-competition agreement lasting two years with Mears, and will not be receiving any compensation from the company.

Lord Stevens, still chairman of United News & Media but strictly in a junior role to Lord Hollick, chief executive, has snapped up the chairmanship of the Personal Number company, a telecoms group floated on AIM last year which already has a profit warning under its belt.

The new non-executive chairman replaces John Peett, a former member of an executive board, who has left to become an executive consultant to a US company, Personal Number said. Mr Peett remains a non-executive director. The Personal Number Co, based in Wiltshire, offers customers their own personal telephone numbers which can be redirected to whatever phones or faxes they choose.

On his appointment, Lord Stevens bought 250,000 shares in the company from the chief executive, Jeremy Thomas, at 40p per share,

bringing his holding up to 288,000 shares, or 1.86 per cent, and cutting Mr Thomas's holding to 4.0 million shares or 25.8 per cent. The shares rose 3p yesterday to 42p.

Peter Hollins took the helm at British Energy yesterday – and the shares promptly fell 22p to 438p. The new chief executive was not to blame, however. That responsibility lies with Salomons, who issued a sell note on the company, inking in a target of 42p.

Mr Hollins, 50, was previously a director of EVC, Europe's leading PVC producer. Welcome to the wonderful world of nuclear energy.

Andy Grey, the former Aston Villa, Everton, Rangers and Scotland striker, has signed up to help launch the first daily internet newspaper devoted to football.

Direct Network Publishing is set to raise £2m on Ofex next week and launch "Football 365" later in the month. Daniel Thompson, formerly of Time Warner and chief executive of Direct Network, says subscribers will receive a personalised service concentrating on the club and country of their choice.

"There's a huge appetite for football news, and we're giving it to people in a format they love – the PC," says Mr Thompson.

The company will make money through advertising, and will source its news through advertising, and will source its news through advertising, and will source its news through advertising.

If Football 365 works as anticipated, Mr Thompson aims to launch other titles around what he calls "passion centres" such as Music 365 and Money 365. Other directors of the company include Simon Morris, a former MD of Ginger Productions, the company founded by DJ Chris Evans, and Nick Alexander, chief executive of Pearson New Entertainment.

Chris Hughes, a senior corporate recovery partner with Coopers & Lybrand, took time off from preparing for his firm's impending merger with Price Waterhouse to reminisce yesterday about one of the most gripping public speakers he had ever heard – the late Enoch Powell.

In the early 1980s, Walther Goldsmith, the then chairman of the Institute of Directors (IoD), decided the IoD needed a City branch and asked Sir Kenneth Cork, the doyen of insolvency practitioners, to set it up. Sir Kenneth, a founding partner in Cork Gully, which has since been subsumed into Coopers & Lybrand, then decided the branch would need an annual conference, and it was at one of the first of such occasions that Mr Powell held Mr Hughes spellbound.

Other speakers Mr Hughes remembers from those days were Ian Hay Davidson and Denis, now Lord, Healey – who asked for his fee in a brown paper envelope.

Foreign Exchange Rates

Country	Spot	1 month	3 months	D-Mark Spot
UK	10000	2435	2425	0.5868
Australia	2435	2425	2415	0.5868
Canada	2435	2425	2415	0.5868
Denmark	2435	2425	2415	0.5868
France	2435	2425	2415	0.5868
Germany	2435	2425	2415	0.5868
Greece	2435	2425	2415	0.5868
Hong Kong	2435	2425	2415	0.5868
India	2435	2425	2415	0.5868
Italy	2435	2425	2415	0.5868
Japan	2435	2425	2415	0.5868
South Korea	2435	2425	2415	0.5868
Spain	2435	2425	2415	0.5868
Sweden	2435	2425	2415	0.5868
Switzerland	2435	2425	2415	0.5868
US	2435	2425	2415	0.5868

Other Spot Rates

Country	Spot	1 month	3 months	D-Mark Spot
Argentina	10000	2435	2425	0.5868
Brazil	10000	2435	2425	0.5868
Canada	10000	2435	2425	0.5868
Chile	10000	2435	2425	0.5868
Colombia	10000	2435	2425	0.5868
Czech Rep	10000	2435	2425	0.5868
Denmark	10000	2435	2425	0.5868
France	10000	2435	2425	0.5868
Germany	10000	2435	2425	0.5868
Greece	10000	2435	2425	0.5868
Hong Kong	10000	2435	2425	0.5868
India	10000	2435	2425	0.5868
Italy	10000	2435	2425	0.5868
Japan	10000	2435	2425	0.5868
South Korea	10000	2435	2425	0.5868
Spain	10000	2435	2425	0.5868
Sweden	10000	2435	2425	0.5868
Switzerland	10000	2435	2425	0.5868
US	10000	2435	2425	0.5868

Interest Rates

Country	Spot	1 month	3 months	D-Mark Spot
UK	10000	2435	2425	0.5868
Australia	10000	2435	2425	0.5868
Canada	10000	2435	2425	0.5868
Denmark	10000	2435	2425	0.5868
France	10000	2435	2425	0.5868
Germany	10000	2435	2425	0.5868
Greece	10000	2435	2425	0.5868
Hong Kong	10000	2435	2425	0.5868
India	10000	2435	2425	0.5868
Italy	10000	2435	2425	0.5868
Japan	10000	2435	2425	0.5868
South Korea	10000	2435	2425	0.5868
Spain	10000	2435	2425	0.5868
Sweden	10000	2435	2425	0.5868
Switzerland	10000	2435	2425	0.5868
US	10000	2435	2425	0.5868

Bond Yields

Country	Spot	1 month	3 months	D-Mark Spot
UK	10000	2435	2425	0.5868
Australia	10000	2435	2425	0.5868
Canada	10000	2435	2425	0.5868
Denmark	10000	2435	2425	0.5868
France	10000	2435	2425	0.5868
Germany	10000	2435	2425	0.5868
Greece	10000	2435	2425	0.5868
Hong Kong	10000	2435	2425	0.5868
India	10000	2435	2425	0.5868
Italy	10000	2435	2425	0.5868
Japan	10000	2435	2425	0.5868
South Korea	10000	2435	2425	0.5868
Spain	10000	2435	2425	0.5868
Sweden	10000	2435	2425	0.5868
Switzerland	10000	2435	2425	0.5868
US	10000	2435	2425	0.5868

Money Market Rates

Country	Spot	1 month	3 months	D-Mark Spot
UK	10000	2435	2425	0.5868
Australia	10000	2435	2425	0.5868
Canada	10000	2435	2425	0.5868
Denmark	10000	2435	2425	0.5868
France	10000	2435	2425	0.5868
Germany	10000	2435	2425	0.5868
Greece	10000	2435	2425	0.5868
Hong Kong	10000	2435	2425	0.5868
India	10000	2435	2425	0.5868
Italy	10000	2435	2425	0.5868
Japan	10000	2435	2425	0.5868
South Korea	10000	2435	2425	0.5868
Spain	10000	2435	2425	0.5868
Sweden	10000	2435	2425	0.5868
Switzerland	10000	2435	2425	0.5868
US	10000	2435	2425	0.5868

Commodity Prices

Country	Spot	1 month	3 months	D-Mark Spot
UK	10000	2435	2425	0.5868
Australia	10000	2435	2425	0.5868
Canada	10000	2435	2425	0.5868
Denmark	10000	2435	2425	0.5868
France	10000	2435	2425	0.5868
Germany	10000	2435	2425	0.5868
Greece	10000	2435	2425	0.5868
Hong Kong	10000	2435	2425	0.5868
India	10000	2435	2425	0.5868
Italy	10000	2435	2425	0.5868
Japan	10000	2435	2425	0.5868
South Korea	10000	2435	2425	0.5868
Spain	10000	2435	2425	0.5868
Sweden	10000	2435	2425	0.5868
Switzerland	10000	2435	2425	0.5868
US	10000	2435	2425	0.5868

Latest Unit Trust Prices

Country	Spot	1 month	3 months	D-Mark Spot
UK	10000	2435	2425	0.5868
Australia	10000	2435	2425	0.5868
Canada	10000	2435	2425	0.5868
Denmark	10000	2435	2425	0.5868
France	10000	2435	2425	0.5868
Germany	10000	2435	2425	0.5868
Greece	10000	2435	2425	0.5868
Hong Kong	10000	2435	2425	0.5868
India	10000	2435	2425	0.5868
Italy	10000	2435	2425	0.5868
Japan	10000	2435	2425	0.5868
South Korea	10000	2435	2425	0.5868
Spain	10000	2435	2425	0.5868
Sweden	10000	2435	2425	0.5868
Switzerland	10000	2435	2425	0.5868
US	10000	2435	2425	0.5868

Liffe Financial Futures

Country	Spot	1 month	3 months	D-Mark Spot
UK	10000	2435	2425	0.5868
Australia	10000	2435	2425	0.5868
Canada	10000	2435	2425	0.5868
Denmark	10000	2435	2425	0.5868
France	10000	2435	2425	0.5868
Germany	10000	2435	2425	0.5868
Greece	10000	2435	2425	0.5868
Hong Kong	10000	2435	2425	0.5868
India	10000	2435	2425	0.5868
Italy	10000	2435	2425	0.5868
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South Korea	10000	2435	2425	0.5868
Spain	10000	2435	2425	0.5868
Sweden	10000	2435	2425	0.5868
Switzerland	10000	2435	2425	0.5868
US	10000	2435	2425	0.5868

Liffe FTSE 100 Index Option

May	1572	005	1945	Apr	14330	-1/8	one	Jun	1728	000	Fast	Oct	2151
Commodity Indices								Goldman Sachs					
	Base date		Last		Chg		%chg		21 Dec		St		%
Index	1970=100		17749		-013		-008		21566				
Agricultural	1970=100		22130		204		030		22123				
Energy	1983=100		000						8586				
Ind Metals	1987=100		23357		007		011		16879				
Livestock	1970=100		17097		071		042		19103				
Prec Metals	1978=100		41217		176		043		46354				

ATHLETICS

Moorcroft opens way for Norman

Battery driven: Martin has gone to court over the right to use a cart Photograph: Allsport

Martin immediately gained his first professional victory at the Lakeland Classic in Florida and was signed up by Nike, whose new campaign features the slogan "I can". Or in Martin's case: "I can... with a cart."

Must

Muster summons determination to exact revenge on his No 1 source of embarrassment

today when she pulled out of the Open Gaz de France WTA Tour event in Paris with a calf muscle problem. The former world No 1, who is recovering from a knee injury which required an operation last summer, had hoped to play her first tournament since reaching the French Open quarter-finals last year.

— John Roberts, Dubai

ICE HOCKEY

Bees plan to shock Steelers

The other semi-final, with Nottingham Panthers at home to Ayr Scottish Eagles in the first leg, takes place tomorrow night at Lower Parliament Street.

Updated player scores and league tables will be published every Tuesday in *The Independent* and repeated the following Sunday in the *Independent on Sunday*.

Independent Fantasy Football

LEAGUE TABLE

TEAM	WE	ON	VALUE	CORE PLAYER	TEAM	WE	ON	VALUE
LEE	1	45	1.5	847 Solvid	COV	0	22	1.5
LEE	1	40	2.5	848 L'Abbeville	COV	0	20	1.5
LEE	1	20	1.5	849 Dyer	COV	0	34	2.0
LEE	0	0	2.0	850 Freedman	CRY	0	0	2.0
LEE	1	20	1.5	851 Nee	CRY	0	2	1.0
LEE	1	26	3.2	852 Shanley	CRY	0	36	2.0
LEE	0	42	1.7	853 Ward	HAR	1	44	2.5
NEW	0	45	3.0	854 Sturridge	BAR	1	51	5.0
NEW	1	1	1.5	855 Whaype	BAR	0	55	4.0
NEW	1	79	5.0	856 Ferguson	EVE	5	36	6.5
NEW	1	33	1.0	859 Burnaby	EVE	1	34	4.5
LIV	0	30	4.0	860 Lacey	LEE	0	0	1.5
MAN	1	55	7.4	863 Lacey	LEE	0	0	6.5
MAN	1	33	7.0	864 Henselbuck	LEE	1	51	3.0
MAN	0	27	7.0	865 Henselbuck	LEE	0	9	3.5
MAN	0	35	1.0	866 Henkey	LEE	1	36	5.5
NEW	0	24	3.6	867 Howker	LIV	0	57	9.5
NEW	0	24	3.8	868 Howker	LIV	0	20	4.0
NEW	0	12	2.0	869 Owen	LIV	9	73	2.5
SOI	0	21	5.0	870 Schoten	MAN	0	40	6.0
NEW	0	16	1.5	871 Bole	MAN	5	79	9.5
SHEP	1	6	1.8	874 Schukjer	MAN	5	48	5.0
SHEP	0	6	1.0	875 Sheringham	MAN	0	69	5.0
SHEP	0	16	1.7	876 Sheringham	MAN	0	0	0.0
SHEP	0	46	2.0	877 Shorer	NEW	1	2	1.0
SHEP	0	23	2.4	878 Aspinall	NEW	0	20	7.0
SOU	0	34	1.0	879 Aspinall	NEW	0	30	2.5
SOU	0	2	6.0	880 Thomson	NEW	0	30	2.0
TOT	5	74	3.5	883 Goudson	NEW	0	0	2.0
TOT	1	45	3.2	884 Haynes	SHEP	0	2	1.0
TOT	1	45	3.5	885 Bonth	SHEP	0	44	3.5
TOT	0	19	3.0	886 Han	SOU	10	50	3.5
TOT	0	19	3.0	887 Taylor	SOU	0	35	0.0
TOT	0	19	3.0	888 Evans	SOU	0	6	1.5
TOT	0	13	2.0	889 Ousehead	SOU	0	19	3.2
TOT	0	13	2.0	890 Armstrong	TOT	4	17	0.0
WH	0	13	2.5	893 Iversen	WH	7	7	4.0
WH	0	25	2.2	894 Kierston	WH	1	86	5.0
WH	0	25	2.2	895 Kierston	WH	2	51	1.0
WH	1	20	1.0	896 Holdsworth	WH	0	13	3.5
WIM	0	17	2.8	898 Gargy	BOL	0	26	4.0
WIM	0	17	2.8	899 Gargy	BOL	0	26	4.0
WIM	0	14	2.0	899 Eucld	WIM	0	8	1.5

MANAGERS				
900 Wenger	ARS	3	24	7.5
903 Leale	ARS	3	20	4.0
904 Wilcox	ARS	2	22	8.4
905 Hodgson	ARS	0	45	5.0
906 Hodgson	BOL	0	45	5.0
907 Gnutti	CHE	0	43	4.5
908 Sirvan	CHE	0	30	2.0
909 Coppell	COV	3	30	3.0
930 Smith	COV	3	30	3.0
931 Keenall	DER	0	39	2.0
934 O'Neill	EVE	1	26	2.5
935 O'Neill	EVE	1	38	3.0
936 Graham	LIV	3	36	4.5
937 Ferguson	LIV	0	45	7.0
938 English	MAN	0	20	1.0
939 Topley	MAN	0	32	7.0
940 Jones	NEW	0	6	0.0
941 Jones	SOU	0	31	4.5
942 Newberry	SOU	0	38	3.0
945 Kincaid	WIM	0	26	4.5

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هكذا من الأصل

Bellator to lift Balding out of a hole

Toby Balding yesterday lost his appeal against a £1,000 fine for a "non-trier". But the trainer could end the week on a high note in Saturday's big race at Newbury. Chris Cornigan reports.

The rabbits on Watership Down were in a fit of excitement. Bellator, a contender for the Tote Gold Trophy, was coming over for a private gallop. If the horse worked well, fur would fly in the rush to snap up the 10-1.

But in racing, as in children's stories, few things go according to plan and the Down was frozen solid last Wednesday. Bellator stayed at home and a disappointed Hazel, Clover and Fiver remained huddled in their warren, none the wiser on the horse's prospects.

Bellator, trained by Toby Balding at Weyhill, was a top juvenile hurdler until a near-frost track fracture put him off the track 14 months ago. He has been brought back quietly, running just twice this season. On his old form he would have a great chance of landing the Trophy which, with prize mon-

ey of £80,000 is one of the year's richest handicap hurdles.

But few people, if anyone, know if the five-year-old retains his ability. What is not in doubt is that his trainer is a master at pulling rabbits out of hats for a big day. Eleven years ago Balding saddled Neblin, who emerged from a particularly dark burrow to take this same race. Neblin won at 10-1 after having had a similarly quiet preparation to that of Bellator.

Yesterday's appeal by Balding to the Jockey Club's disciplinary committee failed to overturn punishments imposed by local stewards over Jimmy's Cross, who finished second at Wincanton in January. The trainer had been fined for "schooling in public".

shot Bengers Moor, had run to the best of his ability. After yesterday's hearing, he maintained that National Hunt horses endure long lay-offs with injury pose a problem for trainers in complying with Rule 151 covering non-triers - and that he

Guest was banned for 12 days for his riding of Jimmy's Cross and the horse itself cannot run for 30 days.

Balding argued that Jimmy's Cross, who had not run for 480 days before finishing 22 lengths second to the odds-on

RICHARD EDMONDSON
NAP: Cool Gunner
NBI: Teacat
(Warwick 1.50)

had reacted to a letter from the Jockey Club which criticised his riding in that race. "I wasn't satisfied with my riding either. I went for the wrong gears," Fallon said. "If I'd taken the right ones I probably would have won." But he denied that he had failed to ride Top Cees with sufficient effort.

The case continues today.

hoped his appeal would produce a review of the rule.

"There are humanitarian and veterinary aspects that should be considered. I have the greatest regard for the Jockey Club disciplinary committee, but training is an art, not a science."

Watership Down has a gallop used by Balding's brother Ian, who trains at Kingsclere. Bellator was to have worked with Ian's talented Grey Shot. It would have been highly instructive for his chance on Saturday.

"Because of the frost Bellator had a home work-out in his very good shape. If he does well on Saturday, the objective would be the Champion Hurdle."

On his first run back since injury Bellator was 12th in a 21-



Balding: humanitarian

runner race at Sandown. On his latest outing, at Ascot three weeks ago, he finished sixth of 12 finishers. But if Balding is called upon on Saturday to explain any improvement, he has an excuse on a plate - in fact, on two plates. At Ascot, Bellator ripped off a hind shoe minutes before the race. The other hind shoe had to be removed to even things up. Bellator not only had less grip, but became wound up by the incident.

Perhaps, though, the biggest question over his chance is the form of the Balding stable itself. No winner over jumps has been saddled from there in 178 days - a run of 97 losers. That sequence could end on Saturday.

RACING'S FUTURES MARKET

Graphic Equaller, penalised just 6lb for his easy 4 1/2-length win in The Ladbrokes Christmas Hurdle at Leopardstown, is a top-priced 100-30 with William Hill - Ladbrokes 5-2 - for Saturday's Tote Gold Trophy at Newbury, the weights for which were raised 15lb at yesterday's five-day stage. Tibetan, not disgraced in seventh at Leopard-

stown, is 20-1 with Coral - Ladbrokes just 12-1. Kewar, winner of Kempton's Christmas Hurdle at 15-1 with Coral - William Hill just 11-2. Silver Green, disappointing last time but a fair 10th in the William Hill Handicap Hurdle at Sandown on his reappearance, is 60-1 with Ladbrokes - Coral 33-1.

- Ian Davies

Hutchison is unlikely England hero

Sri Lanka A 171 & 280
England A 260 & 192-9
England win by one wicket

Ashley Giles guided England A to a thrilling finale to seal a one-wicket victory in the second unofficial Test in Matara yesterday.

England had been set a victory target of 192 in 49 overs, and the Warwickshire left-arm arrived with 33 runs needed, nine overs remaining nine overs and three wickets in hand. Giles kept his composure until the finish, keeping the strike away from Dean Cocker to ensure England could not lose before handing the limelight to an unlikely hero, Paul Hutchison, to hit the winning run.

Giles intelligently pushed singles and was supported for four overs by Cocker, who was bowled by Ashraf Javed with England needing a further nine from two overs. Seven of them came off Niroshan Bandula's penultimate over, and Giles pushed a single off the first delivery of Javed's final over to make the scores level.

Hutchison, whose highest first-class score is 15, survived a blatant show of gamesmanship, with Javed stopping three times in his run-up to try to unsettle the batsman, which he succeeded in doing as the Yorkshireman played and missed at his next ball. But with three deliveries remaining, Hutchison swept, the only time has attempted such a shot in first-class cricket, past the close fielders to start the tourists' celebrations.

The England A captain, Nick Knight, said: "It was one of those situations where Hutch just had to get a run from somewhere. I don't know if that was the first sweep he has ever made but, if it is, it was certainly his best one - I don't think we will hear the end of it."

Final day of tour: Sri Lanka A won last Sri Lanka A - First innings 280 (C. G. Hobbins 171, England A - First innings 280 (C. G. Hobbins 171, Sri Lanka A - Second innings 280 (C. G. Hobbins 171, England A - Second innings 280 (C. G. Hobbins 171, Sri Lanka A - Third innings 280 (C. G. Hobbins 171, England A - Third innings 280 (C. G. Hobbins 171, Sri Lanka A - Fourth innings 280 (C. G. Hobbins 171, England A - Fourth innings 280 (C. G. Hobbins 171, Sri Lanka A - Fifth innings 280 (C. G. Hobbins 171, England A - Fifth innings 280 (C. G. Hobbins 171, Sri Lanka A - Sixth innings 280 (C. G. Hobbins 171, England A - Sixth innings 280 (C. G. Hobbins 171, Sri Lanka A - Seventh innings 280 (C. G. Hobbins 171, England A - Seventh innings 280 (C. G. Hobbins 171, Sri Lanka A - Eighth innings 280 (C. G. Hobbins 171, England A - Eighth innings 280 (C. G. Hobbins 171, Sri Lanka A - Ninth innings 280 (C. G. Hobbins 171, England A - Ninth innings 280 (C. G. 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Garforth and Leonard were shunted around like two locomotives in the old Swindon sidings



ALAN
WATKINS
ON RUGBY

As I was not one of those taken in by Clive Woodward's line of chat, I invested – as the bookmakers like to express it – £100 in France to win the Five Nations' Championship at 13-8. I put another £50 on France to beat England at 5-4.

Let's imagine I am always correct in my predictions or lucky in my bets, which is the last thing I should want anybody to believe. I had a £50 double on France and Ireland, the latter being 11-10 against Scotland. I scored crudely that, while Scotland had the better backs, Ireland had the better forwards (with three current Lions, four when Jeremy Davidson returns), together with the advantage of the home crowd.

I did not have a straight bet on the Dublin match because I was insufficiently confident of the home

country's success; whereas the double was a justifiable frivolity. Alas, it failed to come up by two points. I cannot honestly claim that any great injustice was done to Ireland.

Certainly no injustice whatever was done to England in Paris. Woodward, Lawrence Dallaglio and other assorted players and hangers-on have had the grace to admit it. Indeed, sackcloth and ashes are what the fashionable England player is now wearing. Whether this new outfit does him any good is more questionable.

Though some of my colleagues have been gullible in accepting Woodward's boasts at face value, it is not the press that has cast down England, as if the team were the traditional British heavyweight, at one minute praised, at the next scorned.

No, the responsibility lies squarely with Woodward and secondarily, with Roger Utley, not for producing a team who failed to beat the French – not at all – but for raising unrealistic expectations.

Let us dispose of one fallacy at the outset. It is that England were outperformed because they did not choose big enough forwards, particularly in the back row. Yet even with Neil Back, England slightly outweighed the French in that department.

No doubt Tim Rodber or Tony Diprose will return at No 8 for the Welsh match. However, it will be folly if that is at the expense of Richard Hill but of Back, one of England's best players in Paris, the others being Dallaglio, Garth Archer, David Rees and, in patch-

es, Jeremy Guscott, who might have scored an unjust match-drawing try if he had simply carried on running instead of kicking ahead.

The same goes for Philippe Bernat-Salles, who must be the fastest wing in the Championship with the undoubted exception of Nigel Walker (if he is allowed to play in it) and the possible exception of Denis Hickie. The only difference is that, if Bernat-Salles had simply gone for the corner flag rather than turned inside for support, when he was caught by a gallant but otherwise undistinguished Mike Catt, his try would have been a true reflection of the state of play.

There are two matters which continue to puzzle me and have not been satisfactorily explained. After a quarter of an hour or so it was

obvious that Darren Garforth and Jason Leonard were in trouble. Indeed, they were being shunted around like two locomotives in the old Swindon sidings that had seen better days.

My first question is: why did Woodward refuse to make use of his substitutes? For various reasons, he possessed (I think) unprecedented luxury of having at his disposal an entire front row, Graham Rowntree, Dorian West and Phil Vickery, sitting on the bench. And yet West alone went on – and that was with only 10 minutes of the match left. What are substitutes for, under the new laws, if they are not used?

My second question concerns Paul Grayson. Admittedly he made the best of a bad job. But why did he persist in lying so flat when the

scrum was being hauled higher and yon like a rope of Breton onions? The flat-lying outside-half, as we know, a modern fad, comparable to the speculative penalty kick to the corner when there are three points on offer in front of the posts. Woodward himself pioneered flat backs in English club rugby following his sojourn in Australia. But the technique works only if you have a stable scrum or an advancing pack. In Paris, England had neither.

Perhaps last Saturday's game was not the end of the international season after all. If France win their next two matches and Wales their next three, we shall see a grand finale at Wembley on Sunday 5 April. On last Saturday's evidence, I still think my money is safe. For sentimental reasons I only wish it were not so.

WINTER OLYMPICS

British shine in curling's Olympic debut

Curling's debut as a medal sport at the Olympics yesterday brought promising results for the British men's and women's team. The women joined Sweden, Denmark and the favourites, Canada, as winners by beating the hosts, Japan, 7-5. In the men's competition, Britain started with a 4-2 win over Norway.

A demonstration sport at the first Winter Olympics in Chamonix in 1924 and several times since, curling was the last of three new additions to be welcomed into the Olympics at the Nagano Games.

It was easy to understand why the sport has struggled for recognition. Only a few hundred spectators, mostly Canadians, made the 30-minute journey by bullet train to Karuizawa, for the opening contests and the American broadcaster, CBS, who paid a Winter Olympic record \$375m (£230m) for the rights to the Games, has no plans to show any of the curling competition.

The lack of interest was lost on the curlers, who were ushered on to the ice by the shrill of Scottish bagpipes, basking in their moment of Olympic glory.

"It's a great honour to be playing and representing Britain," said the British skip Kirsty Hay, who celebrated her birthday yesterday with the defeat of Japan. "To be in this sport now and one of the first teams to throw a rock at the Olympics is special."

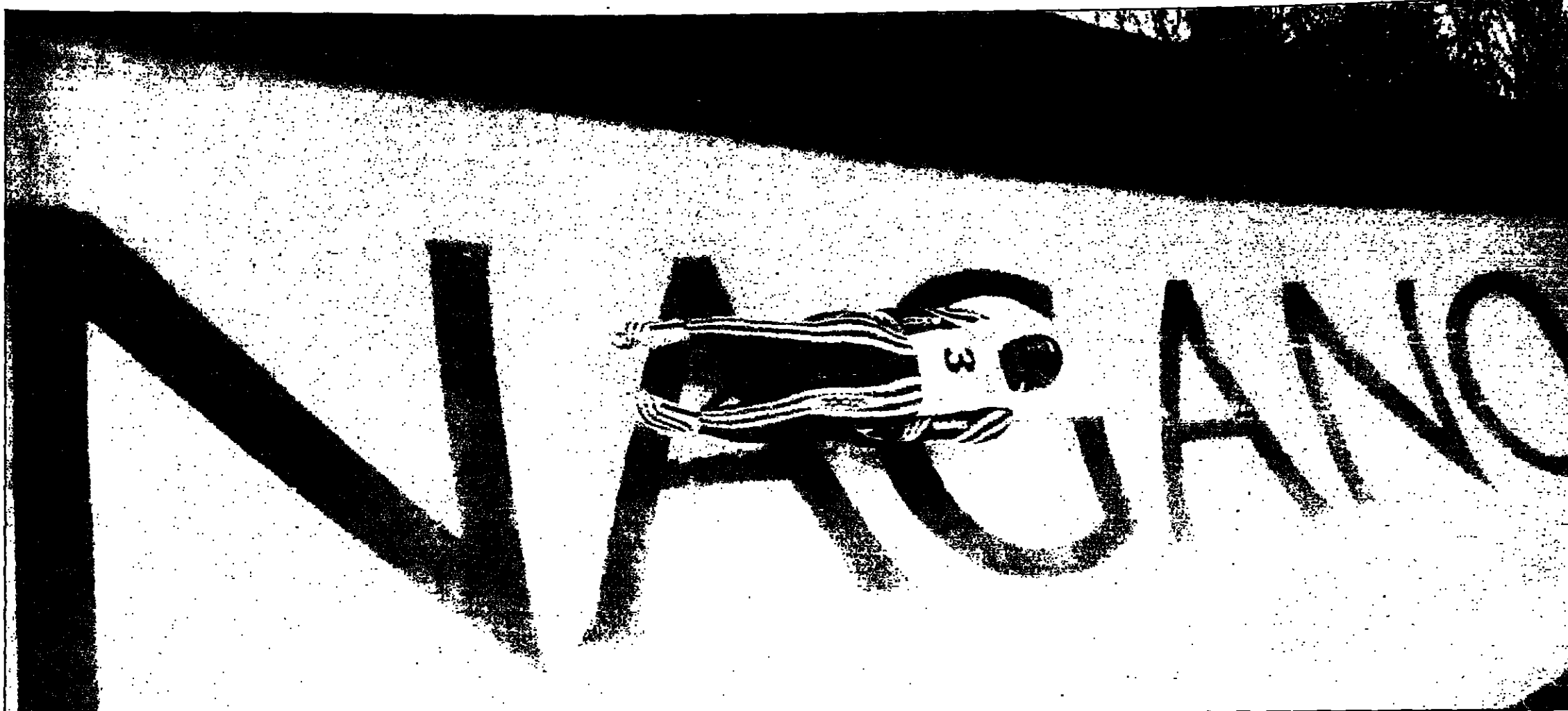
Eight countries in both the men's and women's competition will compete for medals, with Canadian rinks expected to sweep the golds.

In the men's 30km classical cross-country at the Snow Harp in Hakuba, Mika Myllyläe won in 1hr 33min 55.8sec to give Finland its first individual gold in 34 years.

The Norwegian hero, Bjorn Daehlie, bidding to become the first man to amass six Winter Games gold medals, finished 20th after employing the wrong wax for the changeable weather. "I felt very lonely out there in the woods," he said. "I didn't see any spectators and I was wondering if these were really the Olympics."

In the women's 15km biathlon, Ekaterina Dafovska upstaged the favourites and won the gold for Bulgaria in falling snow and a gusting wind.

On the ice rink, Ruslan Salei became the first National Hockey League player to score at the Olympics, helping Belarus to rout Germany 8-2 and secure the east European side's place in the medal round against the NHL "Dream Teams".



Flat out: Germany's Georg Hackl hangs on to his sled as he hurtles towards a hat-trick of gold medals in the men's luge at the Winter Olympics in Nagano yesterday

Photograph: Allsport

'Speeding White Sausage' slides to gold hat-trick

A German soldier with the uncanny ability to relax while travelling at 130mph first down a mile-long ice chute yesterday won his third gold medal at successive winter Olympics.

Mike Rowbottom reports from Nagano on Georg Hackl, the lord of the luge.

As Tony Banks justly observed here yesterday, the luge is not a very dignified sport.

Rather than putting their best foot forward, the prone participants whom the minister for sport witnessed at Jizuna Heights project a different part of their anatomy as they hurtle down a mile-long channel of twisting ice.

You wonder if they ever have nightmares about obstructions on the track. For years, the aerodynamic rubber apparel of the lugers has given rise to jokes about safe sex and flying sausages.

Most of the bodysuits now worn do not contain rubber – reflecting the sport's desire to make its protagonists look less like Martians. But some things in the luge never change. Yes-

terday Georg Hackl, the moustachioed Bavarian who once took out a writ to prevent his local paper referring to him as the "Speeding White Sausage", secured his third consecutive Olympic gold.

How this not conspicuously powerful 31-year-old soldier continues to defeat all comers on the big occasion is something which baffles even himself.

At the last two Olympics he has finished ahead of the hugely athletic Austrian Markus Prock. Yesterday, despite the fact that he did not record a single World Cup victory this season, he relegated the 6ft 3in reigning World Cup champion, Armin Zoeggeler, of Italy, to the silver.

What made his achievement even more baffling was that each of Hackl's four starts in this event was slower than the Italian's – something which, in theory, should make a crucial difference.

Asked the perennial question again after two more superbly executed runs had extended his first-day lead to just over half a second, Hackl replied with a gentle smile: "I don't know this myself, frankly."

Some contributing factors, at least, seem clear. Hackl is a trained mechanic and metalworker, who devotes many hours to constructing his own luge. Nobody rides on a better sled. And the rigorously toned

physiques of his opponents may actually be a disadvantage. Hackl is said to "gel" effectively as he moves, that is, he reduces wind resistance by relaxing and keeping his muscles loose.

There is an analogy here with sprinting where – as Linford Christie and other top performers insist – the key is relaxation. No strain, more gain.

After Hackl had come from behind to win the 1994 Olympics by a 100th of a second with his final run, Prock's reported reaction was: "Again Hackl! He is always lucky!"

How does someone always manage to be lucky? "His mental strength is phenomenal," Thomas Schwab, the German

coach, said. "It borders on virtuosity."

The American Adam Heidt, who finished ninth, reflected: "It's like a poker game. You don't show anything you have, you just keep smiling. Hackl is good at that. He's the best."

But if Hackl is a mystery, so too is the attraction of watching the luge. The ticket touts operating down by Nagano central station have been doing big business in ice skating, but tickets for the luge are selling at less than face value. You can see why. There is only so much to be drawn from the experience of seeing a man on a toboggan flash past at 130mph.

As with approaching express

trains, the lugers are heard before they are seen. The ice rumbles; then they are past, a blur of colour. That's it.

For onlookers – more than 4,000 of whom lined the Spiral track yesterday – the spectacle requires just one jerk of the head. It is like watching an unending sequence of aces at Wimbledon.

The whole thing is only made comprehensible by being broadcast simultaneously from large screens along the route. As the racers pass strategic check points, their split times are frozen on the screen alongside the leading split of the run. The statistics elicit a number of "oohs" and "aahs" around the course. But for the frisson of

seeing the lugers pass, it is a sport that could be watched just as well on Ceefax. Not that that diminishes Hackl's performance one jot – nor, indeed, his satisfaction in it.

After the first day's competition here, the Canadian and US teams protested unsuccessfully against the new, aerodynamic, yellow booties Hackl and the other Germans were wearing. Hackl defended them as normal advances in design, worth perhaps 200ths of a second per run.

Yesterday he laughed off another American question about the booties – "they were really special," he said. "Especially the colour."

Asked what were the chances of his continuing to the 2002 Olympics, he screwed up his face and put his finger and thumb together. "Things are more difficult now for me than when I was 20," he said with another grin. "We all grow older. Just look at yourselves."

Before driving down to Nagano town centre for the medal ceremony, Hackl stopped in at a little clubhouse the Germans have established at the site and managed a quick beer. He then emerged, to ringing cheers, with a German sausage sandwich clamped triumphantly in his hand. Perfect.

RESULTS FROM THE XVIII WINTER OLYMPICS

BIATHLON

Women's 15km
1 Ekaterina Dafovska (Bul) 54min 52.8sec (1 missed target)
2 Elena Petrova (Ukr) 55:08.8 (1)
3 Ursula Dief (Ger) 55:17.9 (1)
4 P Filanova (Bul) 55:28.1 (1); 5 A Gracie (Slov) 55:30.0 (0); 6 R Takahashi (Japan) 55:37.4 (3); 7 A Akhmetova (Rus) 55:21.7 (1); 8 A Skvadeland (Nor) 56:38.7 (3); 9 Yu Shumil (Chi) 56:41.5 (2); 10 M Zeller (Ger) 56:48.3 (4)

CURLING

Men's first preliminary round: Switzerland 7 Germany 4; Canada 7 Japan 4; Sweden 6 USA 2; Gt Britain 4 Norway 2.
Women's first preliminary round: Norway 2 Sweden 8; Canada 7 USA 6; Germany 5 Denmark 6; Japan 5 Gt Britain 7. Second round-robin: Denmark 8 Great Britain 3; Japan 9 Germany 2; Sweden 8 United States 5; Norway 6 Canada 5.

ICE HOCKEY

Men's Group B: Belarus 8 Germany 2; France 5 Japan 2.
Women's preliminary round: Finland 11 Japan 1; USA 7 Sweden 1; Canada 2 China 0.

LUGE

Men's singles (after final run)
1 Georg Hackl (Ger) 3min 16.43sec ... (48.81sec, 48.573, 48.614, 48.630)
2 Armin Zoeggeler (It) 3:18.053 ... (49.715, 48.690, 48.737, 48.707)
3 Jens Mueller (Ger) 3:19.093 ... (48.854, 48.700, 48.729, 48.713)
4 M Prock (Aut) 3:18.658; 5 M Kleinhofner (Aut) 3:18.724; 6 W Sackow (US) 3:18.726; 7 G Gleissner (Aut) 3:18.785; 8 R Palmer (It) 3:18.948; 9 A Hackl (US) 3:20.096; 10 N Huber (It) 3:20.358.

NORDIC SKIING

Men's 30km cross-country classical
1 Mika Myllyläe (Fin) 1hr 33min 55.8sec
2 Erling Jevne (Nor) 1:35:27.1
3 Silvio Fauser (It) 1:36:10.5
4 J Isometsa (Fin) 1:36:31.4; 5 F Valtzura (Rus) 1:37:31.1; 6 H Kirvesniemi (Fin) 1:37:45.9; 7 M Albarako (It) 1:38:07.1; 8 G D Centa (It) 1:38:14.8; 9 W Legrain (Rus) 1:38:23.7; 10 P Ekstrand (Swe) 1:38:47.0.

SPEED SKATING

Men's 500m: First race: 1 H Shimizu (Japan) 35.78sec; 2 J Overland (Can) 35.78; 3 C FitzRandolph (US) 35.814; 4 S Bouchard (Can) 35.90; 5 E Wennekens (Neth) 35.96; 6 P Bouchard (Can) 35.96; 7 J Waterspoort (Can) 36.04; 8 Kim Yoon-man (S Kor) 36.13; 9 Lee Ku-Hyuk (S Kor) 36.14; 10 E Joristi (It) 36.33.

NAGANO TIMETABLE

(Times GMT)

TODAY

Alpine skiing: Women's super G 01:15. Cross-country: Women's 5-km classic style 04:00. Speed skating: Men's 500m, second race 07:30. Figure skating: Pairs free programme 07:30. Ice hockey: Men's matches 05:00. Luge: Women's singles, first run 05:00. Biathlon: Men's 20km 04:00. Curling: Men's second round, Inc Britain v Switzerland, 04:00. Third round, Inc Britain v Canada, 10:00. Women's third round, Inc Britain v Norway, 05:00. TV times: BBC2: 07:45-08:45; 12:30-14:40; 19:00-20:30. BBC1: 23:50-04:30. Eurosport: 24-hour coverage.

TOMORROW

Alpine skiing: Men's combined slalom, first leg 00:30; second leg 04:00. Ski jumping: 90-metre individual (normal hill) 03:00. Freestyle skiing: Men's and women's moguls finals 03:00. Speed skating: Women's 3,000m 06:00. Ice hockey: Women's matches 03:00. Luge: Women's singles, second run 05:00. Biathlon: Men's 20km 04:00. Curling: Men's fourth round, Inc Britain v Switzerland, 04:00. Women's fourth round, Inc Britain v United States, 24:00. Women's fifth round, Inc Britain v Canada, 10:00. TV times: BBC2: 07:45-08:45; 12:30-14:40; 19:00-20:30. BBC1: 23:50-04:30. Eurosport: 24-hour coverage.

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